

## Britain's trade deficit shrinks to £18m

trade figures for May, announced, were the best this year. The current showed a surplus of £32m if invisible are included. Higher exports and a sharp drop in imports, caused by importers running out of stock, cut the trade deficit to £18m, almost twice as much as in April.

## May figures the best for this year

Director of the Office of Economic Affairs, said that the trade deficit for May was the best since 1974. The current account showed a surplus of £32m if invisible are included. Higher exports and a sharp drop in imports, caused by importers running out of stock, cut the trade deficit to £18m, almost twice as much as in April.

Exports were up 1.1% on the previous month, while imports fell 1.1%. The trade deficit was £18m, compared with £20m in April. The current account showed a surplus of £32m if invisible are included.

The recovery was concentrated in the semi-manufactured sector, where firms are essentially selling components to other firms. There was a sharp drop in the volume of exports of finished manufactured goods, which was caused by a heavy fall in the number of cars exported.

In the three months to the end of May, which is usually taken as the best period for assessing trends, the volume of exports fell by 2 per cent, while imports rose by 1 per cent.

But much of this fall is accounted for by poor performance in April. Overall the volume of exports is running around the level which it recorded late last year.

The figures seem to suggest that Treasury forecasts at the time of the Budget, that the current account deficit would be £1,500m in the first half of the year, were too pessimistic.

In the first five months of the year, the current account deficit is estimated to have been £599m, so it would require a deficit of around £900m in the second half for the forecast to come true.

Even these figures overstate the extent to which Britain's external account is in the red. They include provision for substantial payments to the EEC, which will be refunded next year under the agreement reached on EEC finance.

The trading figures came as a pleasant surprise to most dealers in the Stock Market yesterday, adding fuel to an already strong start to the new year.

Investors, including the institutions, poured their money in on the latest hopes of a cut in the Minimum Lending Rate by mid-summer.

As a result, the FT Index rose at its highest for 11 years, 11.1, up at 467.2, the highest level since February 28, when the index stood at 469.1, and the biggest one day rise since January 16, when it rose 13.8.

Leading industrialists clearly reflected the bullish trend, with such up as 38.6, Glaxo 6.2, Bovril 10.2, 18.1p and Unilever 7.2 to 46.0p. But most activity centred on Dunlop, which rose 1.1p to 1.12p, and over 30 shares.

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Whitbread shires Mars, Mercury, and Sullivan starting their fortnight's holiday at a hop farm in Kent yesterday.

## Million votes against reselection of MPs pledged by AUEW chief

By Ian Bradley  
Mr Terence Duffy, general secretary of the Amalgamated Union of Engineering Workers, said yesterday that his union would commit its one million block votes at this year's Labour Party conference in October against the proposal to impose a mandatory reselection process on all Labour MPs before a general election.

The proposal emerged on Sunday from the Party's commission of inquiry into its organization. Speaking on BBC radio's *World at One* programme, Mr Duffy, who voted against reselection at the commission meeting, said: "I am convinced that the majority of people do not want to have a change."

"Our policy-making body, the national committee, have said that they do not want to have mandatory reselection, and I believe that the recommendation of the commission will be defeated at the party conference."

Although it is generally conceded a switch of votes by the AUEW, which voted last year in favour of mandatory reselection, will have an important effect on this year's conference vote, there is still uncertainty about the final outcome. Some smaller unions who voted against mandatory reselection last year have decided

to vote for it this year, and the left is by no means conceding defeat on the issue. The outcome of the weekend meeting of the commission of inquiry brought mixed reaction yesterday. The left and right of the party were united in describing the compromises proposed as a disaster, but there was disagreement on whether they will be accepted by the party's annual conference.

The fiercest attacks from both sides of the party were directed at the proposal for an electoral college, which the commission said should elect the leader and oversee preparation of general election manifestos.

The size of the college has yet to be worked out by a drafting committee consisting of Mr Michael Foot, the deputy leader of the party, and three trade unionists, but it has been set at 50 per cent from affiliated unions, 20 per cent from constituency parties, and 5 per cent from other affiliated bodies.

From the right of the party, Mr William Rodgers, shadow defence spokesman, described the college as "something of a disaster—a major shift away from the Parliamentary Labour Party and from voters towards the caucus, and the party activists who are very unrepresentative."

Speaking on *The World at One*, he said: "An electoral college has no place in the politics of this country. I cannot conceive of an MP accepting a leader that he has not himself had a part in choosing, and I certainly do not think the ordinary people of this country want to think that their Prime Minister is chosen by trade union leaders. They think MPs should choose who leads them and who becomes Prime Minister."

Mr Neville Sandelson, MP for Hillingdon, Hayes, and Uxbridge, said that it might be necessary for Labour supporters to vote for another party at the next election to ensure that the "authoritarian minority" now in control of the party did not come to power.

Equally strong condemnation came from the left. The Campaign for Labour Party Democracy described it as "a naked attempt to divert the Labour conference of its political authority and exclude radical and left party and trade union members permanently from the control of the policy by the creation of a kind of Labour corporate state."

Leading article, page 15

## Last Supper fresco cracked

Milan, June 16.—Leonardo da Vinci's most famous masterpiece, "The Last Supper", is threatened with irreparable damage by a large crack that opened in the plaster wall on which it is painted.

Signor Cosanza Fattori and Signor Gherardo Martelli, government artistic heritage superintendents, said the refectory of the Santa Maria delle Grazie monastery, where Leonardo completed the fresco in 1498, may have to be closed indefinitely for restoration work to be carried out.

The crack discovered yesterday, measures six feet, six inches long and almost an inch wide at one point. It stretches from the right side of the fresco near the central figure of the apostle John.

They said emergency work would be started immediately to prevent lengthening of the crack into the rest of the fresco and that long-term restoration of the painting would take at least two years and cost up to £500,000.—UPI.

## Fish dispute threatens EEC budget pact

France and West Germany have warned Britain that without solid progress over the next month towards a solution of the EEC fisheries dispute, implementation of the British budget settlement could be delayed.

The warning came at a meeting in Luxembourg of EEC fisheries ministers called in an attempt to break the four-year-old deadlock over new rules for exploiting the Community's fish stocks and prepare the ground for agreement by the end of this year. The impetus for the meeting was given by the budget settlement, in return for which the other member states extracted a promise from Britain that "parallel" progress would be made on other contentious matters, such as fish.

Page 7

## Envoys to hear Israel anger

The nine ambassadors of the European Community have been summoned to separate meetings in Jerusalem over the next three days with Mr Joseph Cieschan, director general of Israel's Foreign Ministry, at which the Israeli Government will formally relay its angry condemnation of last week's Venice declaration by the Community on the Middle East. The meetings seem certain to increase friction between Israel and the EEC.

Page 8

## Protest over long remands

Mr Robert Kilroy-Silk, chairman of the All-Party Petition Group, has written to the Home Secretary calling for an urgent review of the remand system. He spoke of several men who have been held in prison on remand for more than a year.

Page 4

## Wife jailed over love letters

Mrs Jeanne Elliott was jailed for two years at Exeter Crown Court for blackmailing her elderly lover over 150 love letters. The judge told her: "You have been found guilty, on what I am bound to say is the most overwhelming evidence, of a despicable crime."

Page 2

## 'Geriatric jets' to keep flying

A new Civil Aviation Authority policy will allow many ageing airlines on the British register, termed "geriatric jets", in the industry to stay in service beyond a precise time limit set by designers. Each aircraft will be subjected to ever-increasing scrutiny at its age.

Page 4

## Test case ruling against police

Two judges ruled in a test case that a policeman could not give himself permission to break the law. Night-time parking on the wrong side of the road is illegal, except by permission of a uniformed officer, but an appeal by an officer on the basis that he had given himself permission was dismissed.

Law Report, page 9

## Windscale mishap: Forty workers at the Windscale nuclear plant, Cumbria, were taken ill after drinking polluted water

Leukaemia: Up to 300 leukaemia patients die each year because of a lack of treatment facilities, a report says 4

## West warned: Mr Heath outlines five serious deficiencies in Western policy

Classified advertisements: Appointments, pages 23, 24; Personal, 25, 26; Sales rooms and antiques, 24

## French film classic: Prudence Glynn with a tapestry offer to mark the Queen Mother's 80th birthday

Obituary, page 16  
Dr David M. Hurston, Lt-Gen. Sir Reginald Savory  
Business News, pages 17-22  
Stock Markets: Equities were further boosted by the latest trade figures and gilt saw the exhaustion of the new medium term in active trading. The FT index closed 11.1 up at 467.2.  
Business features: David Blake on the prospects for next weekend's economic summit in Venice; Hugh Stephenson suggests an end is in sight to the difficulties between the Government and the British National Oil Corporation.

Home News 2, 4, 7  
European News 8, 9  
Overseas News 8, 9  
Appointments 16, 20  
Arts 13  
Book review 13  
Business 17-22  
Church 16  
Court 16  
Crossword 28  
Diary 14  
Engagements 12, 14  
Features 12, 14  
Law Report 9  
Letters 15  
Obituary 16  
Parliament 16  
Sale Room 16  
Science 16  
Sport 10, 11  
TV & Radio 12, 13  
Theatres, etc 12, 13  
25 Years Ago 16  
Universities 16  
Weather 2  
Wills 16

## New Hebrides peace talks held in Paris

From Ian Murray  
Paris, June 16  
Mr Paul Dijoud, the French minister with responsibility for overseas territories, today saw Sir Reginald Hibbert, the British Ambassador, to discuss the different attitudes of Britain and France over how peace can best be restored in the New Hebrides.

The French view is that, as in the past, there must be bilateral British and French action and that the British decision to send in 200 Royal Marine commandos, despite both verbal and written protests from France, is in contravention of this.

France also considers that the basic difficulty of giving guarantees to the minority groups can only be resolved by negotiations between the islands and that the presence of the British force can only hinder these negotiations.

That the official letter of protest about the British troops' arrival was issued by Mr Jacques Robert, the French Resident Commissioner in the New Hebrides, has somewhat short-circuited normal diplomatic channels and made it difficult for Mr Dijoud to be given the British reply to the protest. It was widely expected that today's meeting would pave the way to a better mutual understanding of the role of the marines and make it possible for an early meeting between Mr Dijoud and Mr Peter Blaker, the British Foreign Office minister.

Continued on page 8, col 6

## Afghan guerrillas appeal for 10,000 guns as Russians send in another division

From Robert Fisk  
Kabul, June 16  
The Afghan merchant was middle-aged, with a dark, slightly puffy face, a member of Kabul's indefinable middle class and a man whose commercial instincts might have favoured stability to political unrest. But he pointed to the stark, where the first peaks of the Sorobi range rose through the haze above the plateau.

"Our mujahidin are just over there," he said. "They are on this side of the mountain. They are in sight of Kabul. When the Russians came here my mother was in the city. I said to her: 'Mother, you must pray to God.' But now I tell her that God's strength is with us and this is true."

A curl of smoke rose from one of the stoves as he was a burst of firing in the foothills to the east, a series of explosions which sounded at this distance as if they emanated from beneath the ground. The air pressure changed momentarily as the blast waves came bouncing across the hot plateau.

The merchant smiled at the Almighty's personal confirmation of his grotesque, dangerous optimism, and watched with satisfaction as a Soviet helicopter scuttled above the landscape towards the hills. Perhaps the Afghans are the only people in the world who can combine such resilience with an acute knowledge of their own vulnerability, and occasionally this curious mental state breaks into the conversation.

"You know," the man said, "Mr Carter and your Mrs Thatcher are good people. They want to stop the Olympics because of us and we thank them for this. They are kind people. But we need guns. Our mujahidin have no big weapons. The helicopters kill them easily. We have a few rockets that can shoot 850 metres but we need lots of them. There are 10,000 men in Kabul who would be mujahidin but they have no guns." The merchant opened his hands in a gesture of stoicism and supplication.

His appeal might have been even more urgent if he had been fully aware of the increase in Soviet firepower in Kabul over the past few days. The Russians have just sent their 104th Parachute Division into Bagram, 45 miles north of the capital, and the 105th—which arrived shortly after the Soviet intervention last week—has now been broken into three

Continued on page 8, col 2

## Ten hurt in clashes over Soweto

Johannesburg, June 16.—Nine Coloureds (people of mixed race) including at least three children, were wounded tonight when police opened fire after being stoned by a crowd of about 200 in the township of Noordwacht on the fourth anniversary of the Soweto riots, officials said.

Police said that a black youth after he and another youth were said to have stoned a car and robbed the driver. A policeman killed. A white policeman died as a result of a stab wound inflicted while he was taking part in a baton charge to disperse about 300 blacks. (Nicholas Ashford writes).

Tonight, General Mike Gelaube, the Commissioner of Police, announced that journalists were being banned from entering Soweto independently, although certain journalists and photographers would be allowed in under police supervision.

Work boycotts by blacks were few and isolated, but shops and shebeens in black townships closed for several hours in Cape Town, which has been the main centre of unrest in recent weeks, it seemed for a while that calls for a work boycott were being heeded. However, after the disclosure of the death of the policeman, workers started going to work in increasing numbers.

In Soweto, the most serious incidents took place around the Regina Mundi Roman Catholic Church which, in the past four years, has been the main venue for "services" commemorating those who died in 1976. Police used "squeeze machines" and teargas to disperse groups gathering near the church.

Bishop Desmond Tutu, the general secretary of the South African Council of Churches, condemned what he described as the "insensitivity" of the authorities with regard to what this day means to us.

Photograph, page 8

## Display of prejudice gets juror off panel

By Marcel Berlins  
Legal Correspondent  
Perhaps United States courts are accustomed to such happenings, but for Croydon Crown Court, south London, seldom in the national limelight, it was a new experience.

Miss Christine Vale, aged 35, of Penge, south London, empanelled as a juror, stood up and told an astonished court that she was too prejudiced to serve on a jury.

"I have a number of prejudices," she admitted. "I am biased against young people because they do not believe themselves as they should, and I am biased against coloured people because I live next door to a coloured family."

Her prejudices were not, however, restricted to people. "I am even biased against shops," she went on, "for allowing people to steal from them. I would be on the side of shoplifter if I had to try me, because stores make shoplifting too easy."

Judge John Graham Hall, however, the only possible response, "You are clearly unfit to be a juror and it would be best for you to go away."

Legal circles were, of course, thrown into immediate consternation. A senior criminal practitioner commented gloomily: "Now they will all be trying it on. It will become a competition to see who can get off jury service by admitting to the most prejudices."

More seriously, a court administrator foresaw practical difficulties if too many people tried to make similar confessions to try to avoid jury service. "A jury is supposed to be random, and that would include having people on it with prejudices."

It is not unprecedented for a potential juror to tell the court of a reason for not serving on a jury, but that would usually refer to special knowledge or prejudice in a particular case. Judge Hall has discretion to exclude jurors in such cases.

Dr Michael McCafferty, co-author of a number of research studies on the jury system, said that he had never come across a juror telling of such a comprehensive blanket of prejudices before.



standing of the role of the marines and make it possible for an early meeting between Mr Dijoud and Mr Peter Blaker, the British Foreign Office minister.

Continued on page 8, col 6

## Japan may set up rival whaling group. Russia if moratorium is imposed

Japan is threatening to withdraw from the International Whaling Commission and set up a rival whaling group, it is being urged here by the International Whaling Commission (IWC) members.

Japan is the only member country to hunt whales for food as well as for oil.

The idea of a ban on commercial whaling was first proposed about 10 years ago by the United States, then the world's biggest whaler.

Mr Kunio Yonezawa, who will be Japan's commissioner to the IWC meeting next month, has said: "The moratorium is a valid reason for a ban, he added."

Mr Yonezawa, of Japan's fisheries ministry, said he was "still optimistic" that the scientific committee would successfully argue against an extension of the ban. Asked in what circumstances Japan might withdraw, he said: "I am not in a position to say what my Government will do."

Mr Ken Ohno, director of Nippon Kyodo Hogei, the Japanese national whaling fleet, said: "As long as we believe in the conscientiousness of the United States and the United Kingdom, we will not regret joining the IWC."

Asked if Japan would otherwise pull out in favour of a new body, Mr Ohno replied: "Recently, inside the company

and inside Japan we hear this idea more frequently."

Middle-rank whaling executives, however, were less cautious. "It is very unreasonable," said one. "If (IWC) membership is a people who know nothing about whales. We would like to form a whaling committee of whaling nations, with strict rules." Pressure would be put on the Japanese Government to withdraw should the ban be enlarged.

For the Japanese Government, the IWC is an acute embarrassment. On the one hand, it threatens a small but cherished national industry. On the other, withdrawal could lead to pressure for non-whale Japanese fishing boats to be excluded from important national fishing zones; in particular, that of the United States.

Mr Alan Thornton, a director of Greenpeace, the conservationist group, yesterday said of the threat: "This would be a local renunciation of international convention. I can only think that it is a bluff, with the IWC meeting so near, to persuade countries not to vote for a moratorium."

Business Diary, page 19

## Libya clamps down on Libyan border

ne 16.—Egypt said it would impose a curfew along its border with Libya, where the fighting has been fierce since 1977.

President Hassan, the Egyptian leader, said that the Egyptian Army take back control of the border zone.

President Sadat said that the Arab world for signing a peace treaty with Israel. Last Wednesday he said he would support a coup d'état.

Mr Hassan said Colonel Gaddafi had declared that Libyan troops should train their weapons on Egypt and it was essential that the Egyptian Army take back control of the border zone.

Civilian police have been in charge of border posts since martial law was lifted in Egypt on May 14. Mr Hassan said that Egypt was concerned that Colonel Gaddafi might exploit the situation.

A Bill declaring the emergency was rushed before a committee of the People's Assembly (Parliament) tonight and Mr Hassan said it was expected to take effect on Wednesday.—Reuter.

## Why?

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## HOME NEWS

# Ambulancemen's leader warns the Government against basing pay offer on inflation rate guess

From Annabel Ferriman  
Health Services Correspondent  
Blackpool

Ambulancemen warned the Government yesterday not to push them into industrial action by an unacceptable pay offer for next year based on an unrealistic guess at the future inflation rate.

Mr Terence Mallinson, national officer of the Confederation of Health Service Employees, told the union's annual conference at Blackpool that the Government was considering setting the pay norms for next year at 10 per cent. Ambulancemen would not accept such a low increase.

"I would say to the Government that something must be done for ambulancemen which does not force them into a dispute. If you put our backs to the wall we will not be able to avoid it."

The basic pay was only £78.80, and that was inadequate. Last year Britain's 18,000 ambulancemen had received a total of 35.4 per cent from its pay claim and from the recommendations of the Clerical Commission, and in January had received another 13 per cent, making a total increase of 48.4 per cent.

That was no mean improvement, but the union, which

represents 7,000 ambulancemen, was not complacent, he said. London was short of 600 ambulancemen, and 300 ambulances could not be used.

"We will be seeking to restore the ambulancemen's earnings position next January. It will not be easy, because the Government is committed to a pay policy in the private sector. The Government is talking about reducing the 13 per cent we received this year to 10 per cent next year, so we can expect virtually nothing from them."

The policy of cash limits was also attacked by Mr Eric Wilson, the president. He said that the present 14 per cent pay offer would be followed by resistance from other public sector workers. The 14 per cent pay norms were "unrealistic and unacceptable" and should be resisted, as should any statutory pay policy.

The Government's Employment Bill would worsen industrial relations in the health service, because branches would be forced to take more extensive action if their right to picket peacefully was seriously restricted. Nor would community groups be able to join in campaigns against hospital closures, because only hospital

staff would be allowed to picket.

He attacked the Government's intention of restoring the "scandalous privilege of pay beds and all the paraphernalia of private medicine within the National Health Service. We will see once again the sickening spectacle of those with money to pay jumping the queue to claim preferential treatment at the expense of ordinary men and women who have only the NHS to rely on."

Mr Stanley Orme, opposition spokesman on social services, also attacked the reintroduction of pay beds. We must oppose private beds, even if the demand comes from the trade union movement itself. We must say it is the interest of the whole and not of the few which must be considered.

There was no more room in the health service for such a hospital as Manor House, a private trade-union hospital, than for any other private hospital. The government was robbing the public by abolishing the earnings-related unemployment supplement, because employers had been paying contributions since it was introduced in 1966. "If a private insurance company acted like this, the directors would be charged and, I hope, put in prison."



Women of the Swaminarayan Temple, north London, making 200 garlands for the visit on Sunday of Shree Pramukh Swami, the Hindu leader, to celebrate the Swaminarayan Hindu Mission's bicentenary.

Photograph by Jonathan Payer

## Warning on fewer jobs for young

By Donald MacIntyre  
Labour Reporter

Fewer young people may find permanent jobs after taking part in government special employment programmes, Sir Richard O'Brien, chairman of the Manpower Services Commission, warned MPs yesterday.

Sir Richard said that about four adults out of 10 passing through the special temporary employment programme and about seven out of 10 young people passing through youth opportunities schemes, found jobs when they left.

He defended that record before the House of Commons Select Committee on Public Accounts but gave warning that the proportion going into ordinary jobs from special programmes might decrease if employment prospects continued to deteriorate.

The proportion finding jobs after youth programmes was higher than it seemed, since a further 10 per cent won a permanent training place and could therefore be said to have successfully passed out of the scheme.

Sir Richard said that the 80 per cent success rate among those on youth programmes was "not a bad record" but that figures are going to be difficult to hold at that level in current market conditions. I have some definite signs that it is becoming more difficult for young people to get jobs. While I hope these figures will again come through in the next survey, they may not.

Sir Richard was asked what improvements had been made since the 1978-79 report by the Comptroller and Auditor General that MSC internal auditors who visited 136 projects had made serious criticisms of 30 of them.

Of those, 10 were said to be in "financial difficulty" and 20 in "financial trouble".

Sir Richard suggested that that proportion might be misleadingly high, since internal auditors were naturally directed towards those schemes where there might be financial difficulties.

## 'Archaic' gallery rule

Mr John Hunt, Conservative MP for Bromley, Kent, is asking Mr St John Stevas, leader of the Commons, to end the "archaic" rule that forbids people taking notes in the public galleries of the Commons.

## Union feels vulnerable under Tories' Act

By Paul Routledge  
Labour Editor

The forthcoming Employment Act will render the National Graphical Association (NGA) highly vulnerable to civil actions for the printing workers' "presently closed shop" is likely to survive virtually unscathed.

Those are the chief findings of a 6,000-word internal report on the impact of the Government's labour law reform on trade union organisation in the newspaper and printing industries prepared by NGA research staff.

Experience of government attempts to restrict the operation of closed shops through the Industrial Relations Act, 1971, suggests that the legislation will have little effect on the maintenance of such arrangements. It adds: "Between 1971 and 1974 many employers sought to preserve closed shops and attempted to reduce the impact of the legislation by weeding out potential employees who displayed anti-trade union attitudes at the interview stage."

"However, there is little an employer can do to stop existing employees who are opposed to trade union membership seeking redress from tribunals if they are threatened with dismissal for seeking to opt out of closed-shop arrangements."

The document says some legal authorities had suggested unions could ask employers to be ordered to pay compensation for unfair dismissal if they would not seek to recompense themselves by trying to obtain a contribution from union funds.

The NGA believes that the

widening of the clause to protect those who object to union membership on grounds of conscience or a deeply held personal conviction will undoubtedly lead to a flood of litigation involving free riders and other eccentrics who, while accepting the benefits of trade unions, are unwilling to contribute to the maintenance of them."

On the issue of secondary action, the NGA document argues that the complex and legalistic formula to be adopted in industrial disputes when the legislation becomes law is "both restrictive and grossly unfair".

The paper adds: "In future disputes, unions, in seeking to maximize the effectiveness of their action and at the same time remain within the law, will have to ascertain who the employers' first suppliers and customers are, and be able to show (convince perhaps Lord Denning) that the purpose of the action is directly to prevent or disrupt supplies between the employer in dispute and his supplier or customer."

One possible means of escape suggested by some legal advisers is that employers might be persuaded to include an express term in contracts of employment that employees will not have to undertake "black work". If that is done, the new clause will have no effect because the contract of employment will not be broken.

"None the less, this provision, coupled with the provision on picketing, and acts to compel trade union membership," will render the NGA highly vulnerable to civil action against it in future

## Attorney General in talks on Julie case assets

By Stewart Tandler  
Crime Reporter

Sir Michael Havers, QC, Attorney General, and Sir Thomas Hetherington, QC, Director of Public Prosecutions, met yesterday to discuss their initial reactions to the Law Lord's judgment last week that assets worth more than £500,000 should not have been seized from defendants in the Operation Julie drugs case.

No undertaking was given by the DPP during the defendants' appeal that the assets would be returned if they won. Sir Michael and Sir Thomas face both the difficulty of handing back the assets and ways of blocking the loophole created in the law by the judgment.

Legal advisers for the defendants said after the judgment that if the assets were not returned they would sue; but yesterday the direction of their next move seemed less certain, with reports that the Inland Revenue might claim back tax.

## London Transport to publish critical report

By Michael Bailey  
Transport Correspondent

London Transport is to publish in full today the controversial report by FA Management Consultants, leaked sections of which are highly critical of senior LT management. Mr Ralph Bennett, chairman of the London Transport Executive, announced the decision to publish in a letter to Sir Horace Cutler, the leader of the Greater London Council. Mr Bennett also delivered a rebuke over "public mud-slinging" about his organization.

"It is a matter of greatest regret that a board anxious to improve its own efficiency and change its style in accordance with sweeping management changes already carried out has been involved in public mud-slinging," Mr Bennett wrote.

"The report was an exercise in self-analysis and any criticism it contains results from the fact that the executive

board asked the consultants to pull no punches.

"From your own business experience you will be aware that it is common practice for members of a board to retain management consultants to act as a catalyst in bringing together and clarifying their own facts on an important subject. This is what happened in this case."

Emphasizing that the report was about the executive and not the rest of the LT management, Mr Bennett claims that the decentralization and greater accountability resulting from sweeping management changes already carried out "has vastly improved management performance and the services provided for passengers".

Sir Horace commented: "I think they have taken a very wise decision. The sooner we get the problems all laid out the sooner we can get on with reconstruction on a better basis for the benefit of the public."

## Devolution will of Ulster wide power

From Christopher Thomas  
Belfast

The Government's proposals for power devolution in Northern Ireland will include the creation of a single legislative Chamber with responsibility over almost every important affair of state.

It is beyond doubt that the Government will not realize the fears of many local politicians by recommending some kind of advisory body in an attempt to reach a compromise between the rival ideologies.

Implicitly, the Government's forthcoming document, expected late this month or early in July, will carry an all-Ireland dimension, which is so dear to the Roman Catholics and anathema to the Unionists, explicitly, it will not.

Its message will be that once a devolved parliament is restored to Ulster it will be for that body to determine its future relationships with the Irish Republic.

The powers it is proposed to hand back to Northern Ireland are precisely those covered by the ill-fated 1974 executive, which was brought down by the crippling "loyalist" strike. The power-sharing concept of the executive, however, will not be attempted this time.

The Government's approach in the long-awaited consultative document will be to offer the maximum handing over of power consistent with national security. That will cover almost all matters handled by the Northern Ireland junior ministers: local finance, the environment, education, commerce, agriculture, health, roads and industry.

The Secretary of State for Northern Ireland would clearly retain overall responsibility for political and constitutional affairs, security policy and public expenditure.

The Government appears to have the view that local politicians generally are not interested in tinkering with the present enfeebled local government structure, but want mean-

ingful devolution terms.

The various of what are the 'however, and th that the consulta will attempt to offering options: politicians scope debate.

Ministers hope where between sharing and pure there is a narrow promise that can uncovered, given the will.

The future of Stormont consist ence, which was months early the Local shades, but in Roman Catholics about the pro: resuming in the which it adjourn

One possibility: Government will conference quick Ulster political uncharacteristic the: climate of certainty. The of the Democ as, according to field workers, be occasional gla

Ulster independence still reckoned its be prime minis His recent mood therefore, may t rained by that a

Ulster Catholic ever is at its most It is being sus Charles Haughey terms of Irish R forceful deman: unity have made cult for those N lies who advoca political recalco in the final instai Ulster context.

For that reason viewpoint is ass preceded im termining the su of the British initiative.

## 40 ill after pollution at Windscale

By Pearce Wright

An inquiry is being held at the British Nuclear Fuels Windscale plant, in Cumbria, into a mistake that caused polluted water to enter drinking supplies. It has led to a form of gastroenteritis among more than 100 workers.

Symptoms of diarrhoea and sickness were reported first on Friday and 40 people have been sent home.

Samples of water have been sent for analysis. Meanwhile the outbreak of illness is attributed to an error in handling water from different sources. Water taken from the river Ehen to cool the Calder Hall reactor was described yesterday as heavily polluted.

Pure water is taken from West Water, one of the lakes over which there has been a planning inquiry. The Calder Hall reactor is being restarted after being closed for four years because there was not enough capacity to store and reprocess that type of fuel.

## Man is dead during

From Arthur Osi  
Birmingham

Shops were closed during a three-hour strike yesterday by Birmingham after hearing a s inside one of t burst in to fin with a shotgun t

He was Mr I aged 25, of Sharr ham, a single ma out of work an have been depri West Midlands Mr Latham had the flat.

Senior officers of Police Const Roberts, who sh ing, saved two c injury. Policem armed officers, b down by a shot from a window of fire was not retu

The police "sai refused to pay who had taken h The taxi drive police.

## Councils urged to keep pay rises low

By Christopher Warman  
Local Government Correspondent

Wage increases in the next few months for local government employees must be kept to single figures, Sir Gervais Walker, chairman of the Association of County Councils, urged yesterday.

Speaking to the Bristol Chamber of Commerce and Industry, he said that if that could be achieved, local government, which employed nearly 12 per cent of the nation's work force, could play an important part in overcoming inflation and getting the nation back on its feet.

He said the nation looked on the public services as "free", and rarely related their costs; but we must now face the realities of life and begin to pay our way, whether that was in the field of education, social services or library services. People wanted better services but were not prepared to pay for them.

The nation was today at the edge of a precipice and was doomed to failure unless the public sector and private industry restricted wage settlements this year to single figures. If that was not achieved, fewer and fewer people would be employed.

"If local government and

private industry can insist on realistic wage settlements this year, we can turn the corner in two years," Sir Gervais said.

Talks on overspending: Leaders of the Association of Metropolitan Authorities yesterday met Mr Michael Heseltine, Secretary of State for the Environment, to discuss his letter asking councils to resubmit their spending plans by August 1 because they were estimated to be overspending by £700m.

Mr Jack Smart, leader of the Labour majority on the association, complained that local government, to discuss his letter, and that the Government should wait until the facts were known.

## Youth may be deported for foster-parents' lie

By Jacob Eccles

A youth, aged 17, who was brought to Britain when he was eight is threatened with deportation as an illegal immigrant because his foster-parents lied by saying he was their natural son nine years ago.

Mr William Whitelaw, the Home Secretary, has conceded in a letter that the youth, Suto Miah, was not aware of the deception, but says innocence did not justify exceptional treatment by the immigration authorities. Arrangements are being made to send the youth to Bangladesh.

Mr George Thomas, Speaker of the House of Commons and MP for Cardiff, West, where Suto Miah is a trainee chef, appealed to the Home Office after hearing that the youth had been held in Cardiff prison for a week.

On June 6, however, Mr Whitelaw wrote saying that the courts had decided that "guilty knowledge by the person concerned is unnecessary to render his entry illegal" and that deception by another was sufficient.

The Home Office said last night that it had received further representations.

Friends of the youth had been expecting him to be taken into custody again yesterday when he reported at Cardiff's Canton police station, but he was allowed to return home.

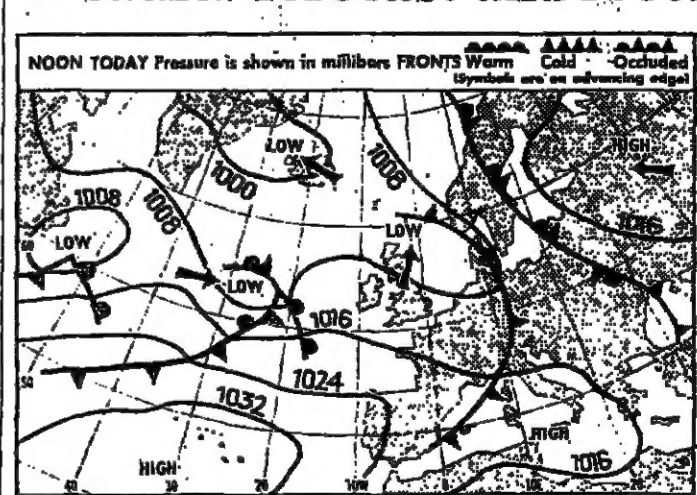
Mr Sam Verma, a Cardiff councillor, who has taken up the case, said he thought the Home Office was being hard.

"How can a boy of eight be held to blame for deception?" he asked.

Suto Miah, who did not realize he was a foster-child until he met his natural parents when on a visit to Bangladesh last year, was shocked and upset by the discovery. After returning to Britain in February he left his foster-parents' home in Newport and found work in Cardiff. Shortly afterwards he was taken into custody.

Mr John Mummer, of the Joint Council for the Welfare of Immigrants, pointed out that the youth would have been eligible to benefit from the amnesty on illegal immigrants in 1978 had he known of the deception practised by his foster-parents.

## Weather forecast and recordings







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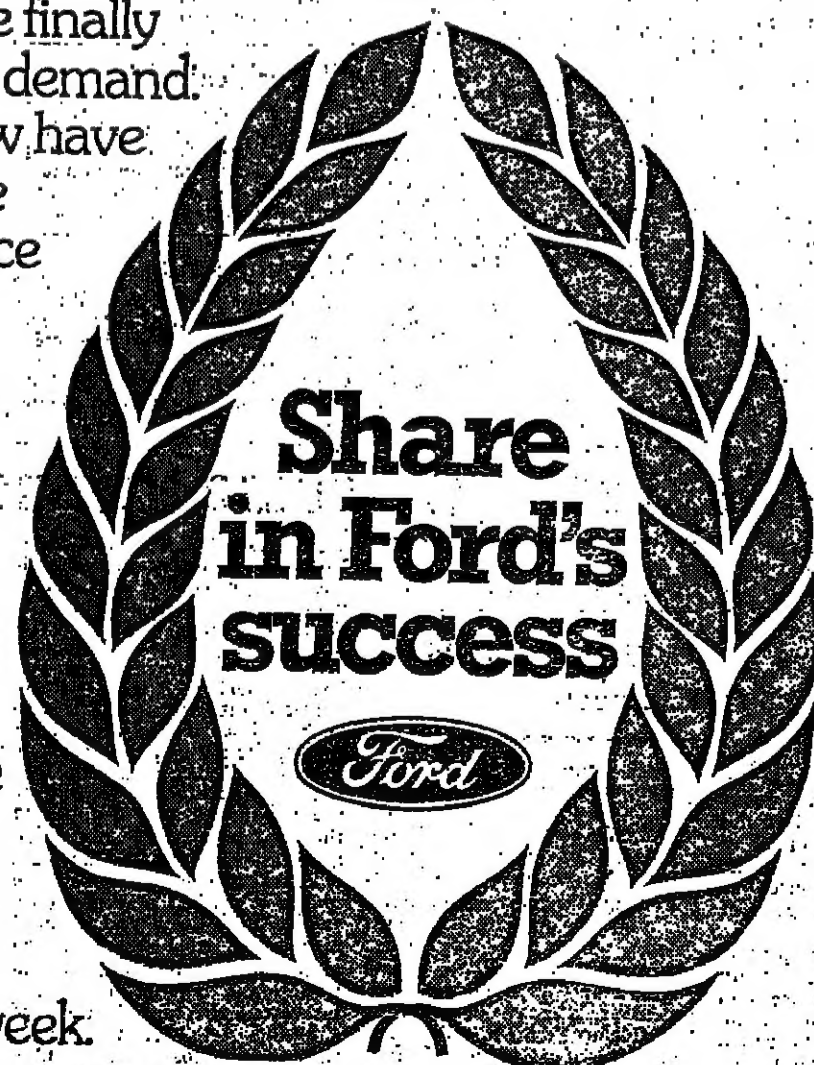
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## HOME NEWS

## New aviation policy will extend lives of the 'geriatric jets'

By Arthur Reed  
Air Correspondent

Many airlines on the British register will be allowed to stay in service beyond their originally designed economic life limits under a new policy introduced by the Civil Aviation Authority.

Explaining the policy on what are termed "geriatric jets", Mr Geoffrey Chouffot, deputy chairman of the authority, said a recent conference in London on long-life aircraft structures: "Instead of setting arbitrary limits on the life of aging aircraft, the philosophy now is to ensure that each aircraft is subject to ever increasing scrutiny as it gets older."

"In medical terms, you could say it is a change from a crude policy of euthanasia to a more sophisticated policy of preventive medicine."

The aviation authority began an investigation into aged aircraft in 1978. In May, 1979, a point was given to the deliberations when a Boeing 707 of the British airline, Dan-Air, crashed on the approach to Lusaka, Zambia, because part of the tail broke off, killing six people and injuring 11.

Accident investigators found that the airliner, manufactured in 1963, had made 7,200 flights with a fatigue crack in the tail. A survey of other airliners of the same type revealed 38 with similar cracks.

"Shortcomings in design assessment, certification and inspection procedures were contributory factors", the report stated.

Mr Chouffot said in his paper

to the conference that a number of the first generation of aircraft with "fail-safe" structures, where the structure is designed to take the load even after part of it has cracked through fatigue, were approaching a "life" limit.

"How can we satisfy ourselves that these aircraft, however outwardly robust, are not being weakened by some insidious and undetected process?" he asked.

The answer was the introduction of a structural integrity audit, under which the constructor of the airliners must survey and identify all areas of the structure where fail-safe characteristics were critical, and assess the acceptable extent, rate of growth and detectability of damage.

There was also an onus on each of the aircraft operators to feed relevant information to the constructor so that the latter could be in a good position to modify techniques where necessary.

Mr Chouffot said there had been instances, because there was ignorance about the process of fatigue, where a crack had not been found until it had reached alarming proportions in spite of regular inspection.

Among the airliners on the British register that qualify to be included among the "geriatric jets" are Conquerts, of which only a few are in service and are to be withdrawn later this year, VC 10s, Trident 1s and early versions of the Boeing 707, BAC 1-11 and HS 748.

## Jubilee Hall fight political, GLC member says

By John Young  
Planning Reporter

The future of the Jubilee Hall, Covent Garden, had been inflated out of all proportion from a straight forward local planning matter into a political issue, Dr Mark Patterson, chairman of the Greater London Council Covent Garden committee, said yesterday.

He accused, openly or by implication, many of the councillors of the councils activities in Covent Garden of attempting to make political capital by arguing for the hall's retention. The Royal Fine Art Commission had "exceeded their brief" in objecting to all three possible schemes for the redevelopment.

The commission had indicated from the start that it was opposed to the schemes not on architectural or aesthetic grounds but because it wanted to get into a political debate.

He would not be deterred by the combined opposition of the Labour minority on the GLC, some dissident Conservatives Westminster and Camden coun-

cils and various national amenity societies.

The GLC would choose the winning scheme next month and would give planning permission, although there was a election, but he said that the current licence for the use of the hall as a sports centre did not expire until March, 1982.

"Planning decisions should not be political. I cannot accept that just because there is an election round the corner one should change one's policies."

The Covent Garden Community Association yesterday published a report accusing the GLC of lavishing millions of pounds on the restoration of the Central Market building, which is to be officially opened on Thursday at the expense of the rest of the neighbourhood.

The report is to be submitted to the Council of Europe in an attempt to forestall an possible award to the GLC for its work in Covent Garden, which is one of four British entries in the council's forthcoming Urban Renaissance Campaign.

## Men held on remand for a year, MP says

By Peter Evans  
Home Affairs Correspondent

Several prisoners have been remanded in custody for more than a year, Mr Robert Kilroy-Silk, chairman of the All-Party Penal Affairs Group, said yesterday. He has written to Mr William Whitelaw, the Home Secretary, calling for an urgent review of the matter.

According to the Howard League for Penal Reform, about a third of the men and more than half the women remanded in custody do not receive custodial sentences at their trials.

Mr Kilroy-Silk, Labour MP for Ormskirk, said he has been given details of a man who has been in Brixton Prison for 566 days, charged with conspiring to rob and unlawful possession of an offensive weapon. Another man has been in Pentonville for 561 days charged with drug offences.

A third man has been in Ashford remand centre for 377 days, charged with two counts of robbery and one of burglary.

Mr Kilroy-Silk added that he has details of four others who have been held on remand for 269 days or more and said 900 people now held were first received in custody on remand more than 110 days ago. That could not happen in Scotland, he said.

The Home Office said on January 31 that 4,226 people were awaiting trial and 2,256 who had been convicted were waiting sentence. Part of the department's establishments in England and Wales. Of those awaiting trial, 130 were juveniles and of those awaiting sentence, 174 were juveniles.

Home Office estimates for 1978 are that untried prisoners spent on average about 35 days on remand in custody before conviction or a finding of not guilty and convicted untried prisoners spent on average about 31 days on remand in custody before sentence.

Some members of Boards of Visitors who are increasingly concerned about prison conditions are seeking to set up an independent association. Part of the board's job is overseeing prisons on behalf of the community.

Mrs Margaret Watson, a member of the Pentonville board, said yesterday that a meeting had been arranged for next Monday with Lord Selkirk, Parliamentary Under-Secretary at the Home Office. She and other board members wanted to talk about the aims of the proposed association. It wanted to be independent of the Home Office.

Mr John Ward, of the Holloway board, said: "We do not feel able to fulfill our role properly by being in effect handmaidens of the Home Office."

At a recent meeting of Islington Fabian Society Mr Ward said he would like to sentence the architects of the new Holloway prison to a spell there so that they could experience the full horror of overcrowding.

Whitehall brief: Computer gave no comfort to Mr Benn or Mr Shore  
Secret Treasury report on 'planned trade'

By Peter Hennessy

The need for import controls to provide a breathing space for the regeneration of British industry has all but achieved the status of a conventional wisdom on every wing of the Labour Party. The party's next election manifesto, whoever drafts it, is likely to contain a section on planned trade, to use the latest euphemism for tariffs.

It is fair to predict that the Treasury will attempt in the first fortnight of the next Labour government to pour a cold douche on that pledge, especially if it commits the Cabinet to general rather than selective controls for an indefinite period.

What will the Treasury's paper say? An idea can be gleaned from recalling the contents of one of the most sensitive documents circulating in a highly restricted circle in Whitehall in the run-up to the traumatic currency collapse of 1976, when the pound fell to a low point of \$1.55.

In the early summer Mr James Callaghan, the Prime Minister, suggested that the Treasury should examine the "alternative strategy" of import controls being proposed with persistent regularity at meetings of the Cabinet's economic strategy committee by Mr Wedgwood Benn and Mr Peter Shore.

The believed it offered a more acceptable solution to the

country's deep-seated economic ills than public expenditure cuts, deflation and recourse to the International Monetary Fund.

A working party was set up under the chairmanship of Mr (now Sir) Lawrence Airey, a deputy secretary in the Treasury's domestic economy sector who has since become Chairman of the Board of Inland Revenue. Its work was kept a close secret.

Even the merest suggestion in May/June, 1976, that the Treasury was examining import controls would have thrown the financial markets into chaos and stimulated companies to possible imports against the possibility of what Mr Benn's critics called a "siege economy".

Sir Lawrence's report, about 100 pages long and classified top secret, brought little comfort to Mr Benn and Mr Shore. The Treasury, using its computer model of the British economy, predicted that general import controls would produce certain retaliation against British exports by the country's leading competitors, which could be sufficiently severe to wipe out any benefits to the balance of payments and the level of unemployment.

In addition, grave doubts were expressed whether Britain could remain in the European Economic Community. It was suggested that public expenditure cuts would still be necessary to prevent the public



Sir Lawrence Airey: Had a trump card.

sector "crowding out" the private in the period of industrial regeneration behind tariff walls.

The Treasury's trump card was its assertion that the impositions of controls would do little to solve the country's severe liquidity difficulties in the short term. With the pound so low and international confidence so shaky, the currency would collapse and foreigners would withdraw their funds from London unless the Government froze them, an expedient acceptable only to the hard left of the Labour Party.

There were some in Whitehall

who thought the Treasury was exaggerating the level of inflation in the medium term if import controls were applied; and that Mr Denis Healey, Chancellor of the Exchequer, was overdoing his use of the crowding out theory of resources.

But the section on retaliation, the EEC and, most of all, on the certainty of a liquidity crisis with the country's reserves vanishing, convinced all but a handful of the small number of ministers and civil servants privy to this most private of debates.

The feeling in Whitehall today is that the next Labour government may return to find a degree of selective import controls in place, introduced, in desperation, by the present Cabinet on an ad hoc basis.

If Mr Callaghan had been reelected, the argument continues, he would by now probably have placed import ceilings on textiles and steel, and be contemplating the same for cars and light engineering products.

Another crucial difference between 1976 and 1980 or 1985, or whenever the next Labour Prime Minister enters No 10 is that the position of sterling will not be the limiting factor it was four years ago. Thanks to North Sea oil, the strength of the pound is likely to be sufficient to permit a transition to a protectionist economic strategy without a collapse of the currency and the evaporation of reserves.

## Polytechnic rent strike may be settled so

By Lucy Hodges

Students in the Polytechnic of Central London have on continuous rent for nearly two years, it was yesterday.

The polytechnic, in Street is owed £120,000 that is sitting in student union bank waiting for the day management and students their differences.

That may happen because an independent appointed six men will be reporting his most likely suggestion.

The students' union strike has been in the 1978 when rents were 23.75 per cent. Stude increased by only 13.7 at that time.

According to Mr St. president of the union, a hall of residence where their rents, says the union, were between 60 per cent.

But those students been paying in £8.50 the rent level for the year 1978. The cost of catering accounts gone up to £11.15 for est rooms.

The polytechnic has

dents in residential action, 257 in three all day, and has managed the system at a slight

After taking legal action, the polytechnic has found probably cannot sue the union for the rent though it can take action against individual students, chosen not to do that.

The polytechnic has

can manage without it because it has had fair balances this year.

The revelations are a cause for concern to the National Union of new campaign on value for money as co fees go on rising.

Today the NUS is advice to its 750 unions on the question and prospective student ask when choosing a residence.

The NUS says that varieties have proposed increases of 30 per cent, and above 20 per cent, and 30 per cent.

The student going up by 14.7 per cent.

Parents and students should try to for example, what the facilities will be like. The Department of Education and Science says there be one hand basin for three students; one between six or one between 12 students lavatory for every six.

The union has found University of Cambridge students have to shower, three in one shower and two b

## Two children are burnt in explosion

Two children were killed last night with serious injuries in a fire which broke out in a derelict building.

The children, aged 13 and 11, were playing with a gas cylinder when it exploded. The fire broke out in a derelict building in Walsingham, Norfolk, at 11.30 pm.

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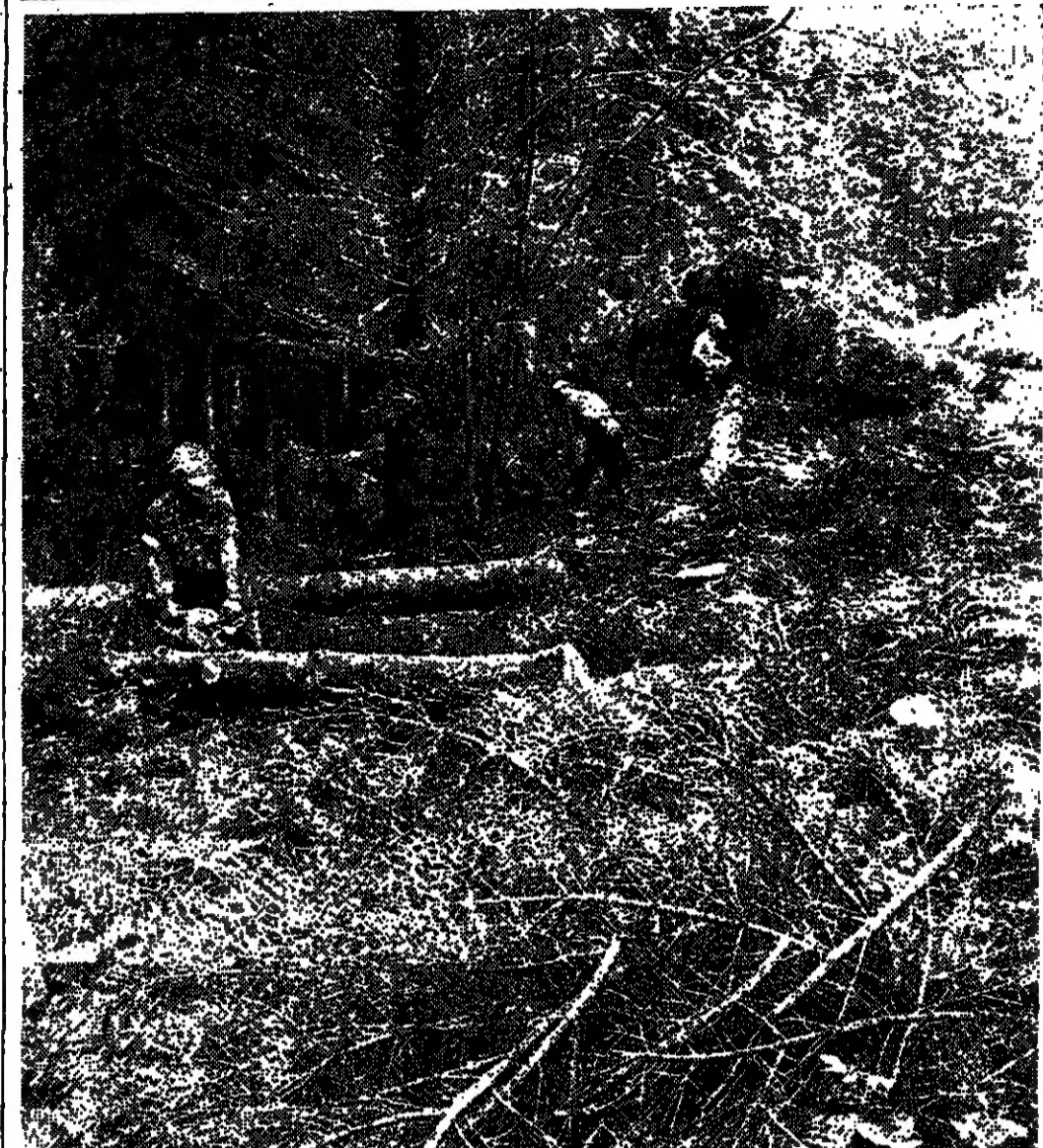
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Men clearing spruce felled last month to widen a firebreak during the fires in Gwydir Forest, North Wales. New trees will be planted

## Opera without scenery as staff ban overtime

By Our Music Reporter

The Covent Garden production of Wagner's opera, Parsifal, was presented last night without scenery because of a ban on voluntary overtime working by some members of the staff, including stage hands. Black drapes were used instead.

Some members of the National Association of Theatrical Employees have stopped voluntary overtime in an attempt to secure a pay settlement. The union does not regard itself as in dispute with the Royal Opera House; it was "a withdrawal of good will".

The effect of the ban has been to cause the loss of technical rehearsals, and so Covent Garden decided to simplify the production. Not everyone may consider the scenery a great loss; it attracted unfavourable comment when the production was first seen last year.

The long-term dream envisaged a museum hall large enough to present such phases of Merseyside history as the great days of the Cunarders and other "Atlantic Greyhounds", as well as that slave trade period.

The idea of Merseyside becoming a tourist centre is by no means the joke it might seem. A team of trained guides is in action offering 24 escorted walks to visitors.

They include "Ferryman, Monks and Shipbuilders to the Mersey"; "Ferry across the Mersey"; "Slavers, Clipper Ships and Ocean Greyhounds" and "The Master Mariners' Tour".

Mr Ronald Jones, the county council tourism development officer, sees 1980 as a particularly good year in which to launch such projects because the 150th anniversary of the opening of the Liverpool-Manchester Railway is already attracting thousands of industrial archaeology enthusiasts, particularly those interested in the history of travel to the north-west of England. Everyone concerned is rejoicing in having some good news to tell from Merseyside.

## Leukaemia victims die for lack of facilities

By Annabel Ferriman  
Health Services Correspondent

Up to 300 patients are dying each year because of a shortage of facilities for bone marrow transfusions, according to a report published today.

The demand for transfusions where a suitable matched donor is available is about 300 to 400 a year, but centres at such hospitals as the Royal Marsden, Westminster, Hammersmith and Royal Free together can perform only about 50 a year, it is claimed.

The report, published by the Office of Health Economics, analyses the difficulties involved in the treatment of leukaemia and says that bone marrow transfusions used for the treatment of leukaemia are expensive, leading some administrators to discourage clinicians from doing them.

The cost of the operation in the National Health Service is about £6,000 in addition to the £5,000 to £10,000 needed to bring each leukaemia patient into the remission stage, which is a prerequisite for transfusion.

Bone marrow transfusions are given because the radiation and chemotherapy treatment for leukaemia destroys the patient's bone marrow, which is necessary for the production of blood

cells. A donor with matching bone marrow tissue has to be found and the recipient would reject the transfused marrow.

The report predicts that the demand for transfusion is likely to increase because the drugs that suppress rejection are improving. A successful transfusion could soon provide an indefinite survival rate of between 60 and 70 per cent of those treated.

The high cost of transfusions was likely to raise difficulties for the health service similar to those posed by the high cost of kidney machines and kidney transplants. A shortage of finance led to wide regional variations in treatment.

Great steps forward had been taken through the 1970s in treating childhood leukaemia by chemotherapy. Deaths had dropped by about a third from 400 to 250 a year.

Yet about 3,000 adults lost their lives each year. "It is among the 1,000 or so younger adults who die each year that breakthroughs are most needed," the report says.

The cost of drug therapy was high, amounting for about £3m of a total cost of £15m for treating leukaemia.

Leukaemia - towards control (Office of Health Economics, 162 Regent Street, London, W1R 6DD, 60p).

## Parole query on man in jail 23 years

From Ronald Kershaw

Lead, former male nurse sentenced to life imprisonment for murdering his second wife at Bradford is still in prison after 23 years and has had his latest application for parole rejected.

This has prompted Mr Kenneth Woolmer, Labour MP for Bury and Macclesfield, to ask Mr William Whitelaw, the Home Secretary, if he has any plans to review the Parole Board procedure to give detainees the right of access to evidence under consideration by the board and the right to be legally represented when a parole case is being reviewed.

Mr Woolmer's move comes after representations by two constituents asking him to look into the case of Mr Kenneth Barlow, who is serving a life sentence in a prison near Portsmouth.

Mr Barlow, aged 61, was convicted of murdering his wife at their home in Thornbury Crescent, Bradford, in 1957 by injecting her with insulin.

Mr Barlow pleaded not guilty to murder and still protests his innocence. In a letter to friends four years ago he wrote: "I fully accept the responsibility for Elizabeth's death, but it was not murder. It was a tragic accident."

Mr Woolmer has looked into

Mr Barlow's case for parole at the request of Mr Barlow's friend, Mr Frederick Stancliffe, a part-time driver of Stanley Terrace, Park Road, Batley, Mr Stancliffe and his wife have been campaigning for Mr Barlow's release on parole for more than 15 years.

Mr Barlow's case for parole was reviewed by a local review committee at the prison last September. It was examined by the Home Office before being passed to the Parole Board and rejected in March.

Before the decision Lord Harris of Greenwich, chairman of the Parole Board, wrote to Mr Woolmer last November: "I am afraid it is not the practice of the Parole Board to give reasons for refusing to recommend the release of a prisoner."

Later, in a letter to the Home Office, Mr Woolmer raised the question of the possibility of access by an independent representative to evidence under consideration by the Parole Board.

In January, Mr Leon Brittan, Minister of State at the Home Office, wrote to Mr Woolmer: "The papers which are considered by the Parole Board are reviewed by the Parole Board."

any life sentence prisoner in-

clude all the reports by medical and law staff at the prisons in which he has been held since he was first taken into custody, and sometimes reports prepared especially for the review.

"These reports are confidential and I do not think it would be right to make them available to anyone other than the review of the prisoner's case."

Mr Woolmer said last night that the important thing was the question of parole and how it was decided, and the fact that many had served 23 years in prison. It was not the question of guilt or innocence.

Pilot critically ill

Mr Francis Willinger, of Kensington, London, the pilot of a light aircraft which crashed at Swansea airport on Sunday, was critically ill yesterday in Morriston Hospital, Swansea.

Morning strike

A dispute over pay differentials involving 24 car examiners and signal men will halt the Greater Glasgow Underground railway system today, 6.30 am and noon

## Merseyside dream will come true next month

The people of Merseyside, who have not had much to cheer about lately, are looking forward to the realization of a dream next month with the opening on July 18 of the first phase of a national maritime museum in Liverpool South Docks.

This first phase is on a relatively modest scale. Financed through Merseyside County Council and costing about £500,000, it will be based on the Old Pilotage Building on Mann Island near the Pier Head, regarded by most Scousers as the true heart of the port, if not of the world.

One of the Canning graving docks will be flooded again after years of sad disuse and famous little ships, including Lively Lady, in which Sir Alec Rose sailed round the world, will be moored in it. Other small craft and much material redolent of the Mersey's past maritime glories (although that may not be the right word to apply to the slave trade upon which its fortunes were really founded) will be on display in the open or under cover in a boat hall.

Lively Lady is on her way round the British coastline to

## Regional report

John Chartres  
Liverpool

publicize the event and she is commanded by Captain Robert Campbell, a teacher in navigation at the Liverpool Riverside College, alma mater to many serving Merchant Navy officers.

Perhaps the most encouraging sight on the opening day, however, will be the sight of the Pier Head full of ships again, many of them tall sailing ships. Almost the whole of the Ocean Youth Club's fleet, consisting of six of their 72-foot ketches, the new Nicholson 55 ocean racer, which is about to go into service in Northern Ireland, and the club's original and much loved gaff yawl, Duetto, will be on parade, having earlier sailed around Anglesey and through the Menai Strait.

They will be crewed by 90 young people from all parts of the United Kingdom and from

all walks of life. The Ocean Youth Club offers sea experience to any child or young person or girl with a desire for adventure and a little hard living. By the time this group arrive in the Mersey they will have experienced most of the nautical difficulties encountered by sailors around the British coasts, including passing under the Menai Strait bridges with about 40 feet to spare over the mastsheads, and negotiating the infamous whirlpool-riddled Swellies which lies in between.

Phase one of the maritime museum project is seen only as a pilot scheme and a small part of the long-term dream of Merseyside becoming an international magnet for those interested in the history of shipping. A second phase, which will cost about £1.5m, has reached a fairly advanced stage of planning, but it will have to be slotted into other commercial developments proposed for the whole of the South Dock area, which has lain mainly idle and has become an eyesore since most shipping was concentrated in the new container docks and grain terminal farther down river.

The long-term dream envisaged a museum hall large enough to present such phases of Merseyside history as the great days of the Cunarders and other "Atlantic Greyhounds", as well as that slave trade period.

The idea of Merseyside becoming a tourist centre is by no means the joke it might seem. A team of trained guides is in action offering 24 escorted walks to visitors.

They include "Ferryman, Monks and Shipbuilders to the Mersey"; "Ferry across the Mersey"; "Slavers, Clipper Ships and Ocean Greyhounds" and "The Master Mariners' Tour".

Mr Ronald Jones, the county council tourism development officer, sees 1980 as a particularly good year in which to launch such projects because the 150th anniversary of the opening of the Liverpool-Manchester Railway is already attracting thousands of industrial archaeology enthusiasts, particularly those interested in the history of travel to the north-west of England. Everyone concerned is rejoicing in having some good news to tell from Merseyside.

## 100 grants for Scottish tinkers' sites

Scottish councils can get 100 per cent grants to provide sites for tinkers, the Government announced yesterday.

Mr Malcolm Rifkind, Under-Secretary of State for the Scottish Office, said in Edinburgh that there was now "no reason at all for any delay".

There are only four official sites for tinkers in Scotland, but two more are being built and 25 are planned.

Mr Rifkind said that the Government thought it was in everyone's interest that sites should be provided. Although it was difficult to say how much they would cost, financing was not expected to cause serious difficulties.

## Dentist jailed for perjury despite petition

From Our Correspondent  
Preston

A petition signed by more than 1,000 patients failed to save a dentist from prison yesterday, Edgar Monteiro was jailed for six months after Preston Crown Court heard that he perjured his dental assistant to lie at an inquest after a patient died under anaesthetic.

Cheryl Bates, aged 17, an assistant scientific officer of Devonshire Avenue, Thornton, near Blackpool, went into a coma during an operation to have a tooth extracted last July.

When she collapsed, there was no one to help Mr Monteiro, as his assistant, Miss Karen Wallbank, aged 19, had gone home. Miss Bates died the next morning without regaining consciousness.

Mr Monteiro, of Victoria Road, West Clevelands, and Miss Wallbank, of Mowbray Road, Fleetwood, both pleaded guilty to giving perjured evidence.

Mr George Stafford, for the prosecution, said that the perjury was committed on September 27 when an inquest was opened. He said that Mr Monteiro had created a picture for the coroner suggesting that Miss Wallbank had been present.

The truth was disclosed on October 3, when Miss Wallbank made a statement describing how Mr Monteiro visited her at home 10 minutes after telephoning her from his surgery.

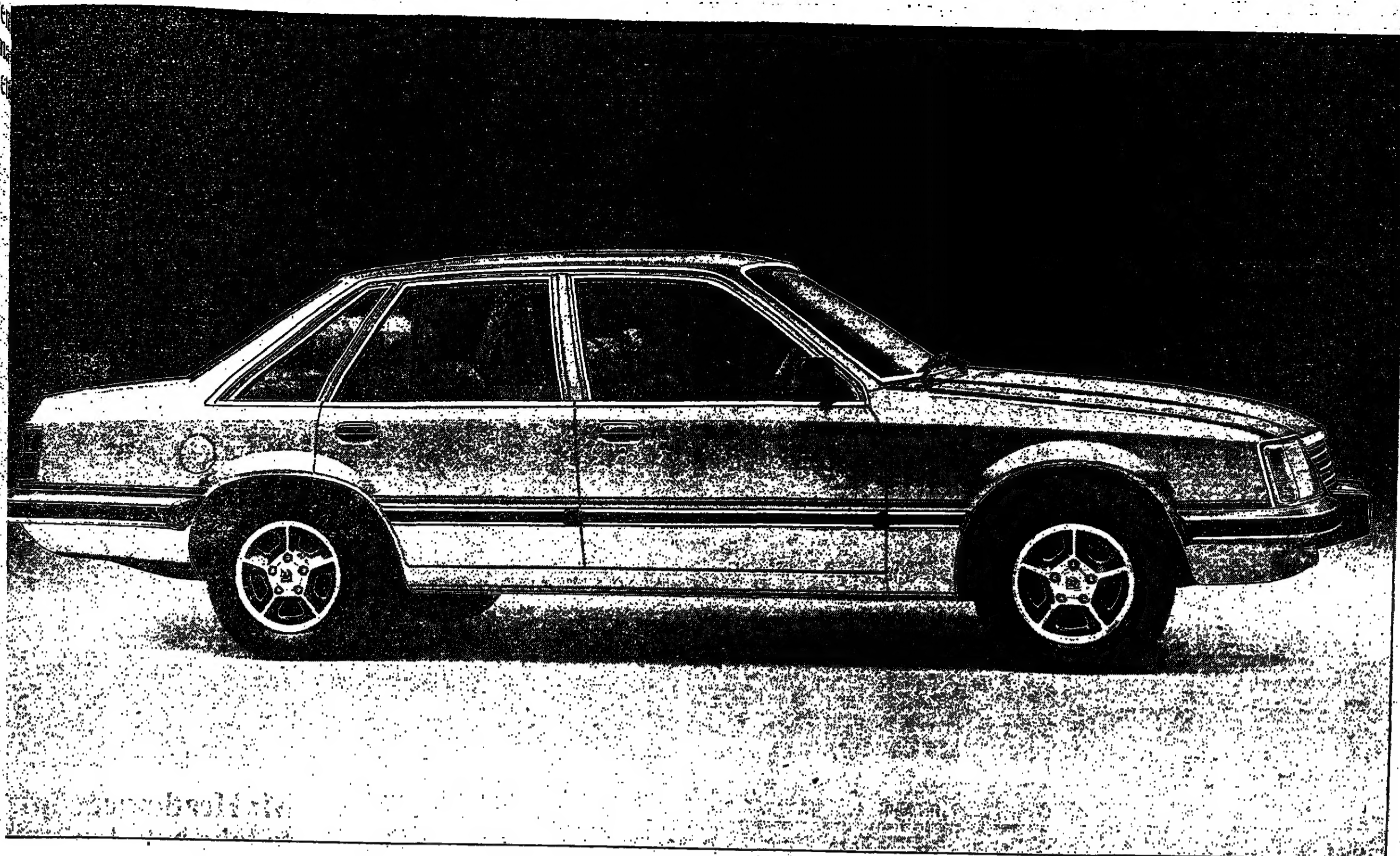
He appeared in a state of shock and I knew he was in trouble for not having me present," she said. "I asked him if he wanted me to say I

was present. He nodded his head."

Mr Christopher Rose, for Mr Monteiro, said that he was plainly conceiving shock and fear of the inquest consequences.

Mr Rose urged





Have you noticed how luxury, like beauty, is often only skin deep?

If you're easily seduced by thick carpets and comfy seats, there are any number of 'luxury' cars to choose from.

If, however, you believe there's more to luxury than meets the eye (or for that matter, the posterior), the list of candidates rapidly shrinks.

Two cars that bear closer scrutiny are the Vauxhall Royale Saloon and Royale Coupé. Their distinctive looks owe as much to the science of the wind tunnel as to the art of the designer.

Both cut through the air with the minimum of turbulence and, as a result, with minimal wind noise.

A tapered, sloping bonnet and, below the bumper, an air dam reduce aerodynamic lift at speed and underline

the cars' remarkable stability and impressive roadholding.

Even the door mirrors are specially contoured to deflect spray and dirt away from the side windows.

Road noise, too, is suppressed not just by layers of insulation, but by the suspension itself.

Springs and shock absorbers, for example, have been

mounted closer to the wheels than is customary.

They react faster and more effectively to the smallest movement and successfully iron out those irritating small bumps that can be so intrusive.

While the bodywork itself has a natural resonance too high to be excited by road vibrations.

The engine, a silky 2.8 litre 140 bhp six-cylinder unit, is additionally steadied by two diagonally positioned hydraulic dampers for further smoothness.

And automatic transmission is, of course, standard on both cars (with manual available at no additional cost).

Inside, the Royale is one of the few cars that allows the driver to achieve not just a good driving position, but the ideal one.

You can adjust the driver's seat for height, as well as for reach and rake and the steering wheel is tiltable.

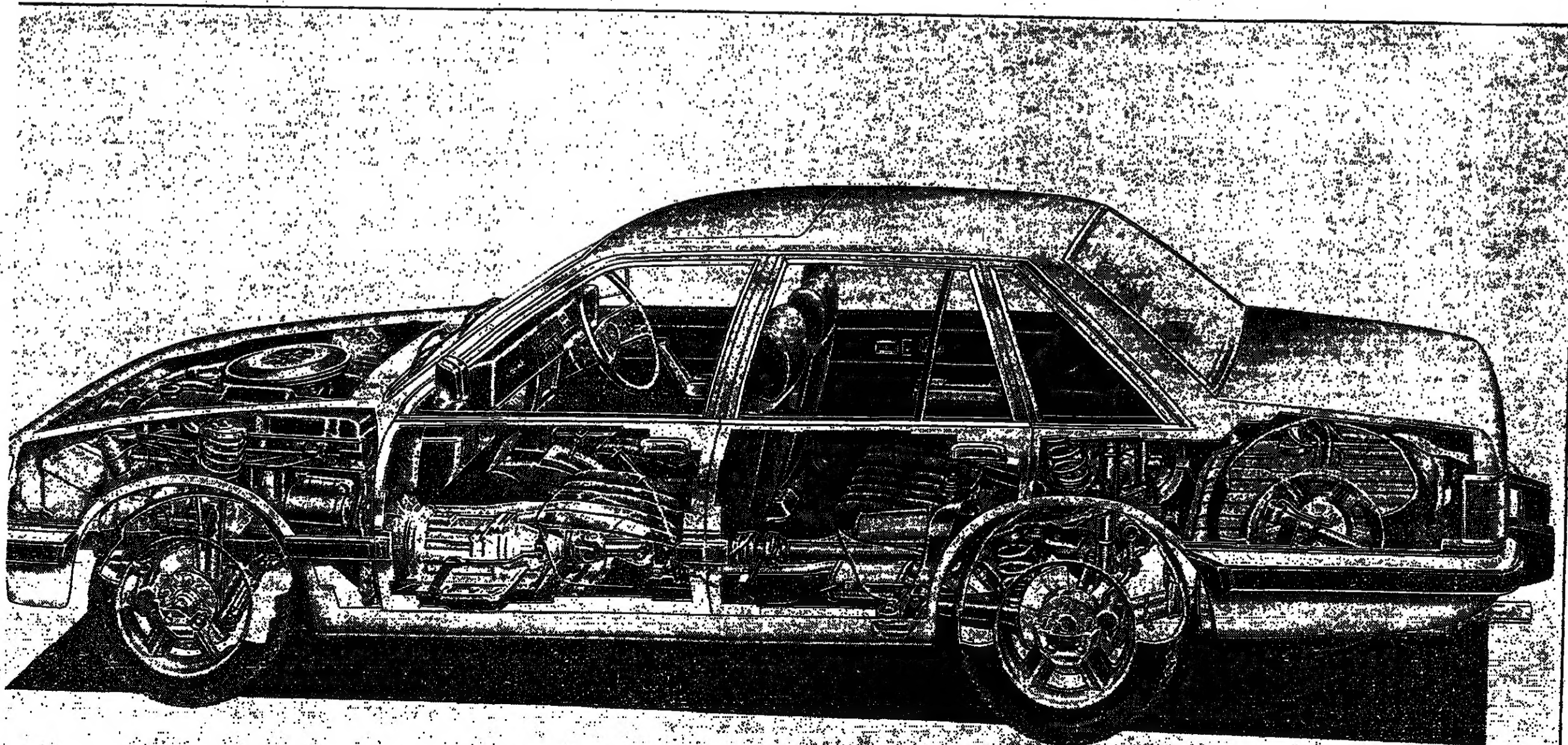
As you'd also expect, the steering is powered.

Examine a Royale at your nearest Vauxhall dealer, and don't simply be seduced by the lavish specification.

You'll find it's one of the few cars where luxury is more than just a question of appearances.

## Luxury is built in, not bolted on.

AIR CONDITIONING IS THE ONLY OPTIONAL EXTRA AT £257. SALOON £10,524, COUPÉ £11,094. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT. DELIVERY AND NUMBER PLATES EXTRA.



**VAUXHALL**  
**ROYALE**







development  
world advance  
richer countries

NEWS



water lunch: Mrs Dorothy Graham, aged 79, outside the office of Health and Social Security offices at the Elephant and London, yesterday. She was taking part in a campaign against social security.

are state in danger of muddle  
misdirection, academics say

Correspondent defined by the development state is in danger of misdirection and muddle because of purpose, but the failure has been that the scope of means-tested help has not been reduced as Beveridge hoped it would be.

Present discussion, as with other areas of the big spending state, is characterized by vagueness. The broad shape of the social security system could be justified as a reasonable compromise between extremes, but the detailed provisions needed to be recast in a tidier and more consistent form.

"The principle that people who need help should get it is obscured by residual effects of an insurance principle which no longer has much reality. The relationship of social security to the tax system needs re-examination and the incentive for self-help may, on one view, need to be made more evident."

The health service was in reality a "sickness service" and should be committed to the maintenance of health. Education suffered from a lack of clear principle about the limits of state provision, and housing policy suffered from anomalies created by past intervention in the name of welfare.

Discussing the Welfare State, by Charles Carter and Thomas Wilson (Policy Studies Institute, £2.75).

rs could  
ers, says

Two RUC police officers, Sergeant John Weir, aged 29, and Constable William John McCaughy, aged 23, were yesterday sentenced at Belfast Crown Court to life imprisonment for the murder of Mr William Strathairn, aged 39, a grocer.

The Lord Chief Justice, Sir Robert Lowry, told Sergeant Weir that he had tarnished the reputation of the police, and told Constable McCaughy that he had "kept some stuff for the IRA".

Sergeant Weir said that Constable McCaughy asked Mr Strathairn if it would be all right to use a "clean" 45 he had, and it was agreed that Constable McCaughy would bring the gun to a rendezvous.

Mr Strathairn was shot on April 19 three years ago. The judge said: "This is a case of which the major offence was the murder of Mr Strathairn, against whom I think it should be repeated the evidence indicated there was absolutely nothing whatsoever; and that made it all the more shocking and all the more tragic that he was singled out as the victim in an act which was really an act of retribution or revenge because of other murders."

Constable McCaughy's father, Mr Alexander McCaughy, aged 60, was given a one-year suspended sentence on charges of possessing the murder weapon and withholding information. Both officers were also given 10-year concurrent sentences for possessing firearms, and Constable McCaughy

ea to consider state of the economy in pay bargaining  
and expelled for criticism of big claims

Murphy, who lately in people de unions unless themselves unable to shop steward his own union, expelled by his the National and most officers' allegedly bring in dispute rave disservice"

aged 38, head Metropolitan and public rent, whose salary appeal against trustee's decision, votes to two. He it is intolerant the union to her because he us which differ view.

When his union's settlement was reached people were euphoric; but he had asked who was going to pay. That problem, he added, was of particular importance to public servants because in the end they had to rely on industry making profits.

"My pay rise, because I could see no expansion in productivity, was going to come out of a rate increase or by the reduction of jobs in the public sector. Is that what the union negotiators wanted?"

Little saving  
seen in  
Civil Service  
grade cut

By Peter Hennessy

A plan to abolish the third highest rank in the Civil Service, under discussion in Whitehall, could prove "an arid academic exercise" with virtually no savings to the Exchequer, it is claimed in a draft document circulating privately inside the Association of First Division Civil Servants (FDCS).

The Civil Service Department is working on plans to shorten the Whitehall hierarchy at the suggestion of Sir Derek Rayner, joint managing director of Marks and Spencer and the Prime Minister's adviser on the elimination of waste. Abolition of the rank of under-secretary is one possibility.

The FDCS paper, entitled "The future of the under-secretary grade", was written by Mr Lawrence Brandes, an under-secretary who is head of the Office of Arts and Libraries.

He suggests that the policy making and coordination functions undertaken by under-secretaries would have to be redistributed upwards to deputy secretaries and downwards to assistant secretaries. This would be little in the way of economies.

Mr Brandes divides the work of under-secretaries in three: 1. Supervision. Could submissions from principals and assistant secretaries proceed to ministers unaltered, he asks.

2. Coordination. "It is easy to write off coordination as a piece of jargon giving rise to unproductive disputes. But it must be remembered that an almost judicial consistency of approach, in which each decision is taken and the government's attitude and activities as a whole, is an essential cornerstone of our constitutional process."

3. Some Civil Service consisting of some 1,000 quasi-autonomous agencies, each of which puts before his minister plans based on his own appreciation of strategy and tactics, is altogether unthinkable.

Direction. An under-secretary, Mr Brandes continues, acts as a trouble-shooter and, occasionally, as a peacekeeper in disputes. He is also a senior manager. "Few of these duties are avoidable."

Mr Brandes concludes that if ministers accepted that changes in working practices were necessary, the FDCS should be prepared to discuss a reduction from five to four in the number of grades at the summit of the administrative hierarchy of the service.

The five senior grades of the administrative Civil Service and their strength on April 1, 1980, are:

Permanent secretary	39
Deputy secretary	156
Under-secretary	595
Assistant secretary	1,150
Principal	4,662

23 hostages  
in doctor's  
waiting room

From Sue Maxterman  
Vienna, June 16

A Yugoslav labourer, who was dismissed by his Austrian employer earlier this month, was holding 23 people, including three children, hostage in the waiting room of a medical specialist in the centre of Graz tonight, Josef Kis Lukac, armed with a double-barrelled shotgun, burst into the waiting room at noon today.

Yugoslav workers who become unemployed face almost instant expulsion under Austrian law and fear of expulsion is believed to be Mr Lukac's motive for taking the hostages.

Mr Lukac, one of more than 100,000 Yugoslav workers in Austria, first demanded to talk to foreign correspondents speaking a Yugoslav language, Italian, Russian or Hungarian. He then changed his demands and asked to speak with specific leading members of the Socialist, Christian Democratic and Liberal parties.

Tonight Dr Alexander Gotz, the burgomaster of Graz who is also chairman of the Austrian Liberal Party, met the police near the surgery. Mr Lukac had offered to free the three young children if certain conditions were met.

Seven will fight  
by-election in  
Glasgow Central

From Ronald Faux  
Glasgow, June 16

Seven candidates had entered papers for the Glasgow Central by-election on June 26 when nominations closed yesterday.

They are: Donald Anthony Keen, Scottish Democratic Party; Anna Anderson McCurley, Conservative and Unionist; John MacKenzie, National Front; Robert McTaggart, Labour; David George Mellor, Ecology Party; Gil Patterson, Scottish National Party; and Graham Watson, Scottish Young Liberal.

The by-election was caused by the death of Mr Thomas McMillan.

General statistics 1979: (McMillan 6,000; SNP 1,500; Labour majority 6,000).

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EEC partners warn Britain that  
budget gains could be delayed  
if fisheries dispute is not resolved

From Michael Hornsby  
Brussels, June 16

Britain was warned here today by France and West Germany that without solid progress over the next month towards a solution of the EEC fisheries dispute, the implementation of the budget settlement could be delayed.

The warning came at a meeting of EEC fisheries ministers called here in an attempt to break the four-year-old deadlock over new rules for exploiting the Community's fish stocks and prepare the ground for agreement by the end of this year.

The impetus for the meeting was given by the budget settlement, in return for which other member states extracted a promise from Britain that "parallel" progress would be made on other contentious matters, such as fish.

Although in general vaguely worded, the declaration of intent on fisheries endorsed by Britain at the time of the budget deal commits member states "to adopt... the decisions necessary to ensure that a common overall fisheries policy is put into effect at the latest on January 1, 1981."

Speaking after the meeting, Mr Joël Heuvel, the French Fisheries Minister, said that if the key issue of sharing out fish catches had not been resolved by July 21, when the next meeting is to be held, France might delay the legislation required to implement Britain's budget reforms.

Herr Hans-Jürgen Kohr, the German State Secretary for Agriculture, also emphasized the link between the budget deal and fish, though in less specific terms than his French colleague. Both men appeared to have spoken more strongly into the meeting than during it.

For his part, Mr Peter Walker, the Agriculture Minister, dismissed as "absurd" suggestions that Britain's budget repayments could be threatened because of delay in reaching agreement on fish.

He told his EEC colleagues that while he wanted an early agreement, he had no intention of abandoning Britain's basic demand for preferential fishing rights in its sector of the Community's 200-mile "pond".

The British position has not changed in its essentials in the last four years. It is that British fishermen should have exclusive access to stocks within 12 miles of their coast, and a dominant share of fish caught between 12 and 50 miles.

These demands are justified with the argument that British waters contain 60 per cent of the total EEC fish stock, and that British fishermen are dependent on this catch to offset the loss of fishing outside the Community's 200-mile zone.

Under current rules EEC fishermen are in principle entitled to fish anywhere within the Community's zone. Britain is protected for the time being against the full rigour of this policy by transitional arrangements negotiated at the time of entry. But these expire at the end of 1982.

Mr Walker and his colleagues did little more today than warily round the central problem of how to share out fish catches. They have already agreed in broad terms on the total level of catch permissible for each species. They will meet again in July.

In related discussions Mr Walker, backed by the Danes, the Dutch and the Irish, opposed proposals to allow more Canadian fish to be sold on EEC markets in return for improved access — chiefly for West German trawlers — to Canada's fishing grounds.

Mr Walker said that the deal being offered by the Canadians would let in an extra 8,000 tonnes of cod fillets, most of which would be sold on the already depressed British market. This was a much bigger concession than the Canadians were offering in return.

Canada's fish war with the United States, page 9.

Paris looks beyond  
the Nine for allies

From Ian Murray  
Paris, June 16

A descendant of one of Napoleon's most illustrious, but ultimately disloyal, generals was welcomed with his hands to France today by President Giscard d'Estaing, King Carl Gustaf of Sweden, whose ancestor Jean-Baptiste Bernadotte founded the present Swedish royal house, the third head of a Scandinavian state to hold talks with French leaders in the past month.

Mr Raymond Barre, the Prime Minister, paid a three-day visit to Norway at the end of May and President Giscard d'Estaing visited Finland at the beginning of this month. The three meetings underline the trend in France to forge close links with European countries other than its EEC partners.

Sweden's ability to maintain its independent neutrality is particularly interesting to France. An interview in *Le Monde* today with Mr Olaf Ullsten, the Swedish Foreign Minister, is the main story in the paper under the headline, "European states must adopt a more independent manner."

The theme of discreet but determined independence was the keynote of the main speech that President Giscard d'Estaing made on his visit to Finland when he spoke at the two countries need "to preserve their identity, to guarantee their own security, in short, to remain true to themselves."

It is in this context that King Carl Gustaf has been invited to make an official visit to France, the first by a Swedish king since 1963.

In addition to the aim of forming an alliance of independent neutral states, France will also be seeking to make the most of the three-day visit and try to do something to redress the unfavourable trade balance which it has with Sweden. The deficit is mainly due to large French imports of wood and pulp.

One subject certain to be raised is that of French nuclear technology, now that Sweden has voted in a referendum to accept atomic power by a majority of 58 per cent.

In turn, Sweden has some of the most important uranium deposits in Europe, and that is of great interest to France.

President Giscard d'Estaing is also holding a meeting with Mr Ullsten, and will be visiting Moscow and saw Mr Kosygin, the Soviet Prime Minister, and Mr Gromyko, the Foreign Minister.

The Swedish King's visit to France ends on Wednesday with a visit to Pau, the birthplace of Jean-Baptiste Bernadotte.

Asians use Bonn's asylum laws to  
bypass immigration restrictions

From Patricia Clough  
Bonn, June 16

Yet another application for asylum falls on the desk. The reason given: political persecution at home.

The West German immigration officials look up sceptically at the Turk standing before him, about 90 per cent probably, the man is lying, said the German official knows it.

Probably the dark-haired man knows that the German official does not believe him, but he knows that this does not matter. At the next office he goes to, another official will give him tokens entitling him to a hotel room or other accommodation at the local authority's expense and pocket money to tide him over the next few weeks.

Even more important he knows that he can look for, and will probably soon find a job in West Germany's rich and labour-hungry industry.

He is the West German authorities have decided, after investigations, appeals and further appeals, that he has no right to asylum, something like six to eight years will have passed. Ample time for one Turkish newspaper put it "for a worker to put his finances in order."

And even then, for the authorities to remove him from the country where he has put down roots and made friends and probably produced children, is a long and far from easy matter. Seven years ago just over 5,000 people, mostly East Europeans asked for political asylum in West Germany. By the end of this year, it is estimated, well over 100,000 people, about two-thirds of them Turks, will have applied. And the fear of a tidal wave of them will be found to be genuine political refugees.

For thousands of impoverished people in Turkey, Pakistan, India and Bangladesh, wealthy West Germany with its high wages and social welfare system has streets almost literally paved with gold and helped by racketeers and unscrupulous German lawyers they have found a loophole to get in.

Word has spread that they can get the severe restrictions on immigration workers by a simple trick—point to the Constitution.

In a reaction against Nazi oppression, the Constitution's fathers, many of whom had known persecution and exile themselves, gave the country one of the most liberal asylum laws in the world. Anyone who is genuinely persecuted "is allowed, no matter who he is, and he may not be supported by the state until his case is decided. He or in many cases she—has also ample right to appeal."

Seriously alarmed, the Bonn Government is urgently seeking ways to stem this rapidly increasing flood. They fear an outbreak of racial resentment which could turn immigration into an unpleasant issue in the forthcoming elections and also affect the four million foreign workers already living legally here.

The Land governments are protesting at the huge burden on their social services. Although industry can employ all those claiming asylum, and more besides, the Government does not want West Germany to become a country of immigrants.

The problem is how to keep away the fake applicants without denying asylum to real political refugees. While a Bavarian Christian Social politician has demanded they be housed in fenced-in huts with guards, the Social Democrat-Free Democrat Government in Bonn is anxious that the law should not lose its liberality.

It is working on urgent measures expected to be completed next week, to speed up the application process while making it more difficult for the would-be immigrant actually to enter the country.

It is thinking of obliging visitors from the countries concerned to apply for visas before leaving for West Germany. It will probably deny applicants the right to work while waiting for a decision, even though this would increase the burden on the welfare authorities.

Herr Gerhart Baum, the Interior Minister, has rejected the idea of housing the applicants in camps. Not only would this be socially explosive conditions: the very thought of camps appearing again on German soil is enough to make any German liberal shudder.

Ecologists choose presidential candidate

From Charles Hergrove  
Paris, June 16

Environmentalists have chosen M. Brice Lalonde, founder of the oldest and largest French ecological movement, *Réseau des Amis de la Terre* (Raf), as France's ecologists' candidate for the 1981 French presidential election.

In hotly-contested "primaries" he won by a short head over his main rival, M. Philippe Lebreton, founder and leader of the MEP, *Mouvement Ecologie Politique*. The Paris vote, where Raf is strongly represented, tipped the scales. There were nine candidates, but fewer than 2,000 voters balloted.

The many-sided, individualistic French ecological movement, which has so far defied attempts at organizational streamlining, is regarded by established French political forces as something of a will-o'-the-wisp. The ecologists' candidature in the presidential elections is, in their view, at best a quixotic venture.

But they take seriously the threat that the "greens" can distract a substantial number of votes from the Government majority, and even more from the left-wing opposition.

After all, President Giscard d'Estaing won only by 400,000 votes in 1974; and in the parliamentary elections of 1978, the ecologists polled 600,000. They are therefore a negative force to be reckoned with and their successes in Germany are uppermost in the mind of every French campaign organizer.

The primaries were the first attempt by French ecologists at unity of action. They were the result of a compromise

Bitterness of  
Algerian  
war lingers  
in France

From Our Own Correspondent  
Paris, June 16

A defamation case opened today which threatens to damage even further the relations between the French Socialist and Communist parties and all because of incidents which happened—or did not happen—in Algeria more than 25 years ago.

Whatever the facts may have been, it shows that the Algerian war is still a subject which can be politically damaging and can arouse the strongest passions.

The case, which is being heard in Belfort, arises out of an article in a Communist Belfort newspaper which quoted the local party secretary, M. Jean-Marie Martin, as criticizing M. François Mitterrand, the Socialist Party leader, M. Edmond Maire, the Socialist trade union leader, and M. André Henry, the teachers' union leader.

The three Socialists, M. Martin said, "make fun of us when they give us lessons in democracy. Do they believe that we have forgotten that they pacified Algeria with flame throwers, that they tortured the freedom fighters, that they seized the press which bore witness to that, scarcely a few years ago?"

The article appeared five months ago, but when the case opened at 8.30 this morning, M. Maire was obviously still very angry. He has been accused of having pacified Algeria with flame throwers, he said. "To the accusations, I will reply with the facts. Having done my military service in 1951-52 before the Algerian war, I was absent from the country throughout the war."

M. Martin admitted that he had done the research for the interview "a bit rapidly" but argued that all he was asking to do was to show up the double standards of the Socialist Party. He had nothing against M. Maire's union, even though M. Maire had claimed that the attack had been made because his organization was beginning to worry the Communists.

M. Martin, who is supported by 22 witnesses, will try to show that leading Socialists, such as M. Maire (with 12 witnesses) fought against the Algerian independence movement. At Toulon over the weekend a bizarre ceremony took place, which also showed how strong the passions still aroused by the Algerian war. Three thousand people watched the unveiling of a pile of rubble which was meant to be a monument "to the martyrs of French Algeria."

The monument was two stone columns and on one of them a bas relief showing a disconsolate Roger Degueldre, his uniform, amputated leg ripped away. Roger Degueldre was the founder of the Delta commandos of the OAS, which fought with brutal determination to keep Algeria French. A week before the status was due to be unveiled, it was blown up and will now have to be replaced.

Saudi Arabian  
king begins  
W German visit

Bonn, June 16.—King Khalid of Saudi Arabia, on his first state visit to Bonn, today began four days of talks with West German leaders which are expected to focus on the Middle East oil supplies and recycling Arab oil wealth.

The King's opening discussions were with President Karl Carstens, his official host, who drove with him from the airport to a ceremonial welcome at the Villa Hammerschmidt, the presidential residence.

The two men held brief talks before a working lunch attended by a German cabinet minister, including the Ministers of Defence, Foreign Affairs, Finance and Industry.

There will be keen West German interest in the Saudi response to last week's EEC declaration on the Middle East, which said the Palestine Liberation Organization should be involved in peace talks.

The King's visit has given Herr Schmidt an opportunity to sound out Saudi views on Middle East peace prospects before he and other West European leaders meet President Carter at the western summit starting in Venice on Sunday.

No statement by the Saudis is expected before Thursday when Prince Saud Al-Faisal, the Foreign Minister, is due to address a press conference.

West Germany is thought to have been concerned by recent reports that Saudi Arabia was under pressure from some other exporting countries to reduce oil production.—Reuter.

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## OVERSEAS

## Speech by Mr Begin puts strain on Israel-EEC relations

From Christopher Walker  
Jerusalem, June 15

Diplomatic friction between Israel and the EEC is likely to be increased this week during a series of exchanges between the ambassadors of the nine Community countries and Mr. Yitzhak Rabin, the influential director-general of Israel's Foreign Ministry.

I understand that the nine envoys have been summoned to separate meetings in Jerusalem in the next three days. The Israeli Government will formally relay its bitterest condemnation of last week's Venice declaration calling for the involvement of the Palestine Liberation Organization in the Middle East negotiations.

Diplomatic relations between Israel and Europe are under their greatest strain since the EEC was formed. Some European governments are known to have been greatly offended by a recent speech in which Mr. Menachem Begin, the Israeli Prime Minister, implied that all European countries, with the exception of Denmark, had collaborated in some extent with the Nazis in the persecution of Jews.

An indication of the likely tone of the meetings was given by the disclosure in the Hebrew paper *Hatzofeh*, that Mr. Begin told his Cabinet yesterday: "We must launch a comprehensive political and information campaign in order to expose the hypocrisy and cynicism of the heads of the EEC countries."

The disclosure coincided with reports that some ministers had tried to tone down the wording of Mr. Begin's speech. Mr. Gideon Papp, the Minister of Trade and Industry, reminding his colleagues of Israel's economic ties with the EEC, said: "Ministers should succeed in preventing Mr. Begin from including a passage threatening that Israeli forces would wipe out the PLO in 24 hours if it attacked Israel."

At the EEC has not been restricted to the Cabinet. In a leading article *Hatzofeh*,

the paper of the National Religious Party—part of Mr. Begin's shaky coalition—commented: "It is necessary to make a total enlistment of Jewish people everywhere in the world to arise in unceasing protest against the satanic plan of France, England, Germany and the rest."

Mr. John Robinson, the recently appointed British Ambassador, told me today: "I regret the very emotional tone of the Cabinet's statement which seemed not to take into account what the heads of government of nine friendly countries had tried to do, or what they actually said."

"I noticed that the remarks attributed to the Foreign Minister, Mr. Yitzhak Rabin, and the reaction of some senior officials seem to have been a good deal less emotional and rather more in line with the first reactions in Washington and the East Coast press, which saw Europe adopting a middle position."

Mr. Robinson said that he had heard nothing to substantiate rumours that Israel would refuse to cooperate with the proposed EEC fact-finding mission to the Middle East. According to Israeli sources, no final decision will be made on this issue until the EEC formally announces the mission's itinerary.

Commenting on Mr. Begin's remark on European collaboration in Nazi outrages, Mr. Robinson said: "I found it incredible that this allegation had been made, but unfortunately it seems that it was. Of course it is offensive to British people, and I reject it."

Earlier, Mr. Shimon Peres, leader of Israel's opposition Labour Party, also criticized the Venice declaration. He singled out France for particular condemnation and described the French position on the Middle East as more extreme than Egypt's. Since Europe did not exist as a political entity, he said, there was no need for such an initiative.

Parliamentary report, page 6.  
Leading article, page 15

## Arab guerrillas intercepted and killed off coast resort

From Moshe Brillant  
Tel Aviv, June 15

A dinghy carrying heavily armed Arabs towards the Israeli coast was intercepted and destroyed by a navy patrol boat early today.

Three Arabs were killed in a brief exchange of fire about a mile and a half off the coast at Ashdod. The military command here said that a "terrorist hit" had been foiled. One Israeli seaman was hurt.

Some of the bloodiest attacks in Israel have been carried out by guerrillas who landed from the sea. The last landing was at Nahariya on April 22 last year when terrorists abducted a man and his daughter but were killed or captured by soldiers on the beach as they tried to escape with their hostages.

Officials here denied a Damascus report that the three men had inflicted heavy casualties in Ashdod, a beach resort, before they were killed. The officials said the boat had been ordered to stop for identification. As the Israeli craft approached, a guerrilla fired a bazooka. The Israeli returned the fire, killing the guerrillas.

The wreckage was towed to the beach. It contained an American 16mm rifle, a pistol

with silencer and a grenade launcher.

Documents found on the guerrillas identified them as members of Al Fatah, the largest of the organizations making up the Palestine Liberation Organization.

Israeli aircraft and ships searched the sea for other raiders and ground forces combed coastal areas. Searches were conducted across the border by Major Saad Haddad's Christian militia, which is allied to Israel.

Israeli radio said this evening that the raiders apparently sailed from the Lebanon coast about 10 miles north of the border.

It was reported that a young woman soldier in her first week as a radar operator spotted the intruders.

An analyst said that there appeared to have been a change in guerrilla tactics. Hitherto landings had been at night and the raiders had tried to seize Israeli hostages to be bargained for guerrillas in Israeli prisons. That failed because the Israelis refused to negotiate.

The analyst said that the dinghy had been heading towards the coast in daylight, and he speculated that the raiders planned to shoot early boats and escape.

## Belgian tourist shot dead by Turkish troops

Limir, June 15.—Turkish troops shot and killed a Belgian tourist and seized his companion after they had sailed accidentally into a forbidden military zone, the Anadolu news agency reported today.

The two Belgians were sailing a rubber dinghy from Foca, about 25 miles north-west of Izmir on the Aegean coast, when strong winds drove them on to the island of Uzun. The island is a forbidden military zone.

The news agency identified the dead Belgian as Oliver Shaddock and his companion as Jacques Pourbaix. The report did not say exactly when the incident occurred.

## Farm workers killed in Zimbabwe raid

From Our Correspondent  
Salisbury, June 15

Three black farm labourers were murdered and three other people injured in an ambush at the weekend by what were described as terrorists at a farm in the Nyamandlovu area, near Bulawayo.

The wounded included a white farmer, who received shrapnel wounds in his right arm. One of the labourers was bayoneted and shot after he had been captured by two terrorists. The incident was reminiscent of the recent war. This time, however, there was no apparent motive.

## Spike Milligan ill

Hongkong, June 15.—Spike Milligan, aged 62, the British comedian, cancelled nightclub appearances here after falling ill suddenly early today. He was said to be suffering from exhaustion.



A South African policeman beating a black demonstrator during the protests yesterday in Soweto township.

## Mr Heath outlines five serious deficiencies in western policy

By Ian Bradley

The West has failed to formulate a strategy to make the economic, military and diplomatic components of its power relevant to its global interests, Mr. Edward Heath said last night.

Giving the fourth Alastair Buchan Memorial Lecture in London, he outlined five deficiencies in Western policies and suggested how they might be remedied.

The West's first failing, he suggested, was to equate good personal relations with the Kremlin with a stable political relationship between East and West. That view led negotiations to be strictly linked to her political conduct, so that when differences of policy arose, international relations were treated appropriately.

"As a result," he said, "we have seen the suspension of the Salt II Treaty, a treaty whose ratification remains on balance in the Western interest, and we have seen a temporary but deliberate reduction in high-level communications between the superpowers. This has taken place at a time of obvious danger which is precisely the time when they are most urgently needed."

Mr. Heath said that relations with the Soviet Union should be based on the principles of having the strength to resist Soviet expansionism and of negotiating to limit the boundaries of competition, particularly in the developing world.

The second important deficiency of Western policy, Mr. Heath chose to pinpoint was its

inconsistency. He said: "As far as the Soviet Union is concerned, Western policy has oscillated between the extremes of euphoria and bellicosity. Plans for deep cuts in intercontinental nuclear weapons have given way to the shelving of Salt II by the United States Administration, and in some quarters to its outright rejection."

He went on: "Such unpredictable behaviour may reduce the incentives for the Soviet Union to restrain her conduct. This may increase the chances of blundering into war by miscalculation or misjudgment."

The third failing of Western policy, he said, was that too often economic, diplomatic and military actions took the form of empty posturing which reflected only a transitory mood. There was a growing tendency on the part of the United States and other countries to threaten military force without any credible means of implementation or conception of the risks and costs involved.

The fourth defect of Western policy was that policies towards strategically important countries in the developing world had often failed to comprehend the nature of the political and social forces at work within them.

Western governments, Mr. Heath said, had oscillated between the extremes of identifying themselves with Third World leaders, who policies ignored the prevailing forces in their own countries and of embarking on simplistic crusades for political reform without any serious consideration of how their leaders might be expected to achieve them.

## Britain urged to give lead in acting on Brandt plan

By Hugh Noyes  
Parliamentary Correspondent  
Westminster

Mr. Edward Heath, the former Conservative Prime Minister, made a scathing attack yesterday in the Commons on Western governments and the British Government in particular for their vague assurances of a welcome for the Brandt Commission report on international development issues and for their failure to provide the enthusiasm for implementing its proposals.

Unless the world economy and its economic institutions could be recreated in a way that would give confidence in the Organisation for Petroleum Exporting Countries (Opec) nations and the developing countries the world would slide into an economic abyss, he said.

He was commenting on what appeared to be a somewhat second rate Foreign Office brief read out unenthusiastically by Sir Gillian Triggs, the Lord Privy Seal.

Mr. Heath said what he wanted to hear was not that

the British Government stood ready to play its part in whatever might or might not be done, but that it was going to give a lead to Europe and the northern countries in carrying out the proposals of the commission.

Political will and public support were needed if the proposals were to be carried through. It was not enough to say that the European Community was ready to carry on a dialogue with Opec. It was necessary to show that in specific ways they were prepared to talk to Opec and to overcome the enormous scepticism and cynicism in southern countries about the north and to show that the north was prepared to do business.

Mr. Heath suggested that the first step should be a meeting of a small group of heads of government representing the north, Opec and non-oil developing countries to thrash out solutions, which could then be recommended to a much wider gathering of all nations.

Parliamentary report, page 6.

## 12 killed in El Salvador

San Salvador, June 15.—At least 12 people have died in the latest political violence in El Salvador, among them two teenage girls who were raped and tortured, officials said today.

The officials said the girls had been dragged screaming from their homes last week by gunmen dressed in civilian clothes in what appeared to be political kidnappings. The girls' families lived in the same working-class area in Santa Ana, El Salvador's second largest city.

Unidentified gunmen had shot and killed two watchmen and a National Guard sergeant in street ambushes in the town of Soyapango, six miles east of here, the authorities said today.

They added that the bodies of five youths, aged between 20 and 25, had been found shot in the head along a road on the outskirts of Quezaltepeque.

Mr. Arturo Rivera y Damas, the acting Archbishop of San Salvador, said that the violence claimed 122 lives last week and could end in civil war.—UPI.

"We have to face the fact that our natural allies in the Third World are moderate, not radicals. Clarion calls for the reform of the conduct of moderate regimes in the Third World towards human rights are likely to be as damaging to Western interests as its conspicuous identification with unpopular despots," he said.

The fifth and final factor which Mr. Heath mentioned as undermining the influence and effectiveness of the West was a deep-seated and growing tension existing within the Atlantic Alliance. He outlined four ways to avoid what he called "the perilous divisions" which are emerging within the alliance.

First, Europe and the United States each needed a clear strategy for upholding their security; secondly, the alliance needed to develop a clearer idea about which were the greatest threats to its collective security; thirdly, there should be further development of the habit of full and discreet consultation before crucial stages of decision making were reached; and fourthly, Europe needed to assume its share of the burden of upholding international security.

If the allies fail to rise to the challenge, he said, the result will be to push the United States towards isolation and the Europeans toward accommodation with the Soviet Union. Without the visible unity of the Atlantic Alliance and our relationship with Japan, the industrialised democracies will be unable to cope with all the varied problems of international security in the modern world."

## Afghanistan the main theme of London talks

By Our Diplomatic  
Correspondent

President Ziaur Rahman of Bangladesh at the start of an official visit here yesterday said that the presence of Soviet troops in Afghanistan was a violation of the fundamental principles of international relations. Emphasizing the decision of the Islamic conference to take the matter up with the Soviet Union, he criticized the Western countries' response as "not up to the mark". Afghanistan was later the main theme of his discussions with Mrs. Thatcher at 10 Downing Street.

President Ziaur, who was speaking shortly after his arrival at a diplomatic writers' lunch, said there was a feeling in the Third World that the West was not playing a full part in the crisis, particularly in meeting the economic needs of the developing world.

"Britain can do a lot more," he said, discussing Bangladesh's need for help and aid in implementing its new five-year development plan which will cost not only participation, he said, but also secure international backing for the plan.

He welcomed the European initiative on the Middle East, but said it did not go far enough. Asked how far it should go, he replied: "More far," adding that Europe should recognize the Palestinian Liberation Organization. As to whether the Islamic conference had gone far enough, he said: "Yes, they have taken a very positive step."

A number of demonstrators chanted slogans outside the hotel where the President was staying, and later near Downing Street, accusing the regime of political murders.

smaller Soviet clinics near the bus station at Khai Khana were believed to total about 400.

Two hundred of this 1,000 are believed to have died of their wounds—but this facility rate includes only those soldiers who expired in hospital. Troops who are killed in action are taken immediately to Kabul airport where their bodies are taken home on board a series of old Antonov 12 transport aircraft.

The coffins are wooden boxes and you can see them being loaded from a dirt track to the east of the airport. No one knew what they contained until someone caught sight of a Soviet soldier saluting a box as it was hauled into an aircraft.

## Tehran minister talks of better US relations

From Tony Allaway  
Tehran, June 15

Mr. Sadeq Qotbzadeh, the Iranian Foreign Minister, said today there was an improved environment for solving the crisis with the United States.

Speaking on his return from a four-day tour of Norway and Sweden, Mr. Qotbzadeh said: "There is a better environment. In the last month and a half there has been a reduction of tension."

He said that during his latest tour which included a visit to the Socialist International Congress in Oslo, "it was agreed that the question of the hostages cannot be separated from the 25 years of American intervention in Iran."

In this regard, he said, Iran was demanding that the special United Nations commission which visited Iran in late February should publish its report on the Shah's rule over the country.

But the Foreign Minister added that "we don't recognize their competence to even discuss the hostages any more". Part of the commission's mandate in Iran was to visit the 53 American Embassy hostages, a move that broke down at the last minute. Mr. Qotbzadeh said

this part of the mandate had since been fulfilled by a visit of Red Cross officials to the hostages.

In his press conference today, Mr. Qotbzadeh attacked radio and television and the clergy-backed newspaper *Islamic Republic* for ignoring Iran's diplomatic initiatives and trying to isolate the country.

He described the paper, which is the organ of the powerful Islamic Republican party (IRP), as one of the "most corrupt newspapers in the history of Iranian journalism". The IRP has been harshly attacking President Bani-Sadr in recent weeks.

Uncharacteristically, however, the newspaper today carried a leading article calling for a truce in the feud between the IRP and the President, saying it had been created by an "atmosphere of misunderstanding". Informed sources said the article had been written by Ayatollah Muhammad Beheshti, the leader of the Islamic Republicans.

The leading article follows veiled but strong criticism of the IRP and of the great gangs suspected of enjoying IRP backing, who caused last Thursday's rioting in central Tehran, in which one person died.

## Revolt on New Hebrides puts independence at risk

Continued from page 1

revolt on Espiritu Santo and Tanna by force and thus make it possible for the anglophone Protestant Government of Father Walter Lini to take over. The Foreign Office declared that the francophone Catholic groups will be allowed to preserve their language and culture, or indeed that any of the many minority racial groups will not find themselves equally deprived of their heritage and rights.

As negotiations do go ahead smoothly France is convinced that it will be impossible to organize everything satisfactorily in time to meet the present date set for independence of July 30.

The date for independence, originally set for April, has been postponed at least twice, and although France believes a further delay is the only way of finding time to negotiate the necessary guarantees, Britain feels that Father Lini is unlikely to be able to negotiate fully until such time as he is vested with the authority of actual government.

Carrington's defence: As the confusion over the French attitude to the trouble in the New Hebrides continued yesterday, Lord Carrington, the Foreign Secretary, firmly defended the British action in despatching a contingent of marines to Port Vila, the capital. (Our Diplomatic Correspondent writes).

He also announced that a meeting is being sought with M. Djoudj "in order that we may clarify our joint approach".

Behind this announcement lies considerable doubt in London if the French Government really wants to stick to the plan to bring the New Hebrides to independence, as jointly agreed. The Foreign Office declared itself "mystified" yesterday at M. Djoudj's complaints about the stationing of marines.

As Lord Carrington told the Lords, the decision to dispatch British and French forces to the New Hebrides was taken jointly. Indeed, when M. Djoudj discussed the matter a week ago in Lord Carrington's office, he made great play with the idea of joint action.

The "mystery" is further deepened because President Giscard d'Estaing and Mrs. Thatcher discussed the whole matter at the Venice summit last week in advance of the clarification which Mr. Blair hopes to receive at his meeting in Paris.

It is that M. Djoudj is a man who likes to go his own way, and that the way may change rather suddenly.

His anxiety may be that if the New Hebrides proceeds to independence as planned, which remains the British policy, many other French territories in the Pacific would look to independence too and further put at risk French influence.

More particularly, the number of French settlers in the New Hebrides exceeds the British by a ratio of 10 to one. Recent elections, both for the whole condominium and the two regional assemblies, produced, rather surprisingly, majorities favourable to the English-speaking population.

## Mr. Clark home from Iran with a challenge

From Michael Le  
New York, June 15

Mr. Ramsey Clark returned from his visit to Iran last night, having been told by the Iranian Government that he should not return to Iran.

"If the facts as placed against law indicate a violation of the constitution, then I should do so," he said on arrival at port.

President Carter week that he would take legal action against Iran for violating travel to Iran which had introduced the sanctions designed to pressure the Iranian Government for more than \$5 million.

Mr. Clark said: "I would like to see the law and our of said: 'Law and mix well.'"

He insisted that nothing wrong as his constitutional ing—the jour did we bec of dialogue, aff asked: "I wou speak my n I will continue wherever I go."

He and nine of had attended, as France's Court on the of the United St to Iran. They st hostages, but he result of the A sence the repres when the arri attended, spoke prisoners' release.

"Each aggress United States Gc longs the holdin tages," Mr. Clark when the arri after stopping 3 days in Paris, c questioned him: him seven pany of the old Iran and a curing Y York Times p today, Mr. Clark things which the Administration accelerate the ho They included se gressional invest American record and sanctions.

Mr. Adib Davao representative, re York today, a nearly a month ing to arrange fo U mission which w March in an attempt to i hostages' release.

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The parade accompanied by 21 Islamic clerics, whom the British will disarm the so-called "Guardians" we support you."

The demonstrators days after the Tehran's worst a storm, the islami The fighting, wh dead and 500 in out when the a tremists staged a to prevent progres from holding a Agence France-P

am now master power and I do negotiate with any. Although given ground by given pressing for and his followers stolen arms and d New Hebrides Gov privately asked th dents to proclaim a emergency power: on the Port Vila's au reached. These po be used to disarm.

Mr. Stewart repli M. Robert's pro "Questions of A relations are for a ments in London a comment upon—nc servants in Port V distinguished.

The arrival of General Robert and which we are sionably and person ted, is to carry out tions jointly and in possible collabora cularity in these times."

The marines and s now in Port Vila instructed not to p press, to smile at h speak as much Fre sible and avoid, smother and vene

Mr. Molisa will offer to lift the government blockade and promise a provincial government post to Mr. Stevens if he ends the rebellion peacefully and accepts central government authority over the island.

Last Monday when M. Robert met Mr. Stevens at Luganville, the island's administrative centre. Mr. Stevens spent this evening meeting followers in a jungle hideout at Vanato, while the Government in Port Vila waited for a radio message that he was willing to talk. British officials believe that the arrival of the Royal Marines may have persuaded Mr. Stevens to come to the conference table.

Mr. Molisa will offer to lift the government blockade and promise a provincial government post to Mr. Stevens if he ends the rebellion peacefully and accepts central government authority over the island.

Mr. Stevens told M. Robert: "I



# Considerations when making orders for adoption

In re D (Minors)  
Before Lord Justice Ormrod, Lord Justice Brandon and Mr Justice Huddles

[Judgments delivered June 12]  
The Court of Appeal allowed an appeal against the refusal of the judge to grant an adoption order in respect of two children on a joint application by the mother and her stepfather. The court held that the judge had not sufficient regard to section 3 of the Children Act, 1975, which ought to be read together with section 10(3) of the same Act, in reliance on which the judge had made the order.

Section 3 provides: "In reaching any decision relating to the adoption of a child, a court of adoption shall have regard to all the circumstances, first consideration being given to the need to safeguard and promote the welfare of the child throughout his childhood; and shall so far as practicable ascertain the wishes and feelings of the child regarding the decision and give due consideration to them having regard to his age and understanding."

Section 10(3) provides that where a married couple applying for adoption "consist of a parent and step-parent of the child, the court shall dismiss the application if it considers the matter would be better dealt with by a joint Matrimonial Causes Act, 1973."

Mr Graham Pifford for the appellants, the mother and stepfather, said that the judge had not sufficient regard to section 3 of the Children Act, 1975, which ought to be read together with section 10(3) of the same Act, in reliance on which the judge had made the order.

Lord Justice Ormrod said the appeal was by a mother and her husband, Mr D, against the judge's refusal to make an adoption order in respect of the mother's two daughters, aged 8 and 12 and 10 years, since the father had consented to the adoption.

The mother's first marriage ended in 1972, when the father, Mr D, was living with her in a flat in London. In 1973, Mr D married Mrs D, and in 1974, the mother married Mr D. The mother's new husband, Mr D, was a doctor and a solicitor. The mother and Mr D had been married for two years when the mother's first marriage ended. The mother and Mr D had two daughters, aged 8 and 12 and 10 years, since the father had consented to the adoption.

Lord Justice Brandon said the judge had not sufficient regard to section 3 of the Children Act, 1975, which ought to be read together with section 10(3) of the same Act, in reliance on which the judge had made the order.

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adoption order was a fine one. The most significant factor, in his opinion, was that the children had a clear recollection of their real father. His conclusion was that an order ought not to be granted.

However, in September, 1975, the surname of the children had been changed to D by the mother by deed poll, with the consent of their real father. The children were not subject to an order for custody under the Matrimonial Causes Act, 1973. Maintenance payments continued to be made by the real father. The children had spontaneously agreed to be adopted by their father, Mr D, and referred to her stepfather as Dad. Both children were anxious to be adopted, Mr D giving as his reason that it was a family unit and that it would make Mr D "her proper dad".

All the persons involved agreed that the adoption order was desirable, the only real difficulty arising over section 10(3) of the Children Act, 1975, which appeared to have been passed owing to anxiety among social workers about the multiplicity of adoption applications by step-parents. It should be noted that the section required the application to be made by a joint Matrimonial Causes Act, 1973.

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had asked Mr D what the effect would be if one of the children turned out to be a delinquent. "You can't tell us what to do, you aren't our father". The judge said he accepted that such a thing was not likely, but that the court was bound to bear in mind that children grew up and might take advantage of some false weapon and use it on their parents.

He said: "The fact of adoption would disturb what is in existence at the moment, and there is a possibility that the adoption order would be used against the father and the court should not make this possible. The children have a proper recollection of their father. To make an adoption order is seeking to re-write history. The family is a unit and there are two children who are not the subject of an application for adoption. I am therefore dismissing the application."

One could understand the basis of the judge's decision, but he did not answer the relevant question: "Can the matter be better dealt with by a joint Matrimonial Causes Act, 1973?" If he had, it might have found it difficult to give a positive answer. The court was entitled to review the exercise of the judge's discretion. His Lordship could see no coherent reason against making the children subject to an adoption order. His Lordship would therefore allow the appeal.

LORD JUSTICE BRANDON, agreeing, said that the judge apparently decided on the basis that the matter was better dealt with under section 42 of the Matrimonial Causes Act, 1973, but section 10(3) of the Children Act, which he was applying, required that the matter be dealt with under section 3 of the same Act. In his Lordship's view, section 3 was the primary section and section 10(3) was a qualification. The court must have regard to all the circumstances and give due consideration, if possible, to the wishes and feelings of the children. Section 10(3) did not require the adoption order to be made if the matter could be dealt with under section 42, but only if it was better dealt with under that section. His Lordship could find no reason for holding that it would be better dealt with, even as well dealt with, under section 42. He therefore allowed the appeal.

Mr Justice Huddles agreed. The appeal was allowed. Solicitors: Keith Flower & Co.

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Boston doctors wearing suits surround a woman patient on the operating table in a photograph of the 1840s.

## Photographs show surgical operations of 1840s

Boston, June 16.—Some of the earliest photographs ever made of hospital surgery have been discovered in a collection of long-forgotten artifacts in vault at Massachusetts General Hospital. Two dozen old photographs, called daguerreotypes, were on display today at Fogg Art Museum, Harvard.

One of the photographs depicts a reenactment of the world's first public demonstration of ether, held at the hospital on October 16, 1846. Two others show the use of ether in real operations.

The surgical amphitheatre where the anaesthesia pictures were taken, probably in 1846 and 1847, is now called the Ether Dome.

"Although we cannot pinpoint the age of these photos, we know of no others taken earlier which show a surgical event of any kind," Dr. Guillevine Sanchez, of the hospital's archives committee, said.

The photographs were from the collection of Dr. Henry J. Bigelow, a well-known surgeon, who joined the hospital staff in 1846. His collection had been stored in a vault and forgotten. It was found by a hospital team assigned to catalogue and centralize the hospital's artifacts.

One of the surgical pictures shows doctors in black suits and bow ties gathered around an unconscious woman patient, modestly garbed in a full-length dress and shoes.—AP

neglect. Many historical sites and architectural monuments were defaced or close up during the Cultural Revolution, but are now being gradually restored and reopened.

Plans to build a cement factory near the valley of the Ming tombs have been scrapped.

The planning officials in London as an example of a city which has failed to cope with the growth of a commuter belt around its economic centre. The pollution issue is becoming acute in Peking, though the city is much better off in this regard than the big industrial cities of north-east China, where pollution is virtually uncontrolled.

It is estimated that in Peking nearly two million tons of untreated industrial waste water is poured every day into the city's waterways, which are of small capacity.

It is also argued that light industry is more profitable and gives quicker returns on investment than heavy industry.

The thinking behind this decision is characteristic of Vice-premier Deng Xiaoping, who is known to feel that steel and other heavy industries have been given over-emphasis in the planning of the Chinese economy.

More forests: China planted over 8m acres of trees this spring to help to conserve water and soil, as well as to increase its timber reserves. The New China news agency reported today.

China's long-term target is not only to increase its forest area but also to conserve water and soil, as well as to increase its timber reserves. The New China news agency reported today.

A report by municipal officials acknowledges that many famous old buildings in Peking are in a state of dilapidation or near collapse through years of neglect.

British troops said to have beaten refugees

Hongkong, June 16.—A Hongkong newspaper claimed today that many Chinese illegal immigrants have been savagely beaten—in some cases to death—by British Army patrols. Military authorities here have denied the report.

The English-language paper, The Star, quoting unidentified villagers on the Hongkong side of the border, described the alleged beating of illegal immigrants as "a matter of course."

The paper said two villagers reported that "they saw Gurkha troops beating an illegal to death."

A British Army spokesman said: "Our soldiers always use the minimum of force when arresting illegal immigrants or anyone else."

More than 31,000 illegal immigrants have been rounded up and repatriated to China this year.—AP.

Uruguay soldiers taught torture

From Patrick Knight  
Rio de Janeiro, June 16  
Classes in torture methods, including practical sessions and lasting a week, are part of an intelligence course taken by about a hundred Uruguayan officers and soldiers every year, according to Hugo Gracia, a soldier who was for three years a member of the Uruguayan Army Counter-Intelligence Services.

Gracia, who admitted participating in torture sessions himself as all course members were obliged to do, has now left for asylum in Norway.

Speaking in São Paulo, Brazil, last Thursday, he said he had been one of a group of officers and soldiers who kidnapped two Uruguayan women, said to be members of a terrorist organization, and their two young children, in Porto Alegre, southern Brazil, in November 1978.

This case has never been completely clarified, but according to other statements, corroborating other statements, the kidnapping involved the cooperation of Brazilian police and Brazilian vehicles were used to take the Uruguayans to the frontier.

Gracia said that one of the women, Lilian Celiberti, was tortured immediately on arrival in Uruguay by being hooded and submerged in a tank of water.

Gracia, who says he does not fear retribution from Uruguayan refugees in Europe, claimed that many people were still being arrested and tortured as a matter of course because it was believed within the Army that torture was necessary to extract confessions.

His own duties had involved attending football matches and being in other public places to report on people's views of the Government. People, he said, were often arrested for complaining about the cost of living or on suspicion of being involved in trade union activities.

Gracia, who is 23, said that after leaving the Army at the end of 1979 he had been unable to find a job and had crossed to Brazil with his wife and child early in May. He had got in touch with the lawyer concerned with the kidnapping case in Porto Alegre.

He said the time had come for people to speak out about the situation in Uruguay. Everybody knew about the tortures, but nobody dared speak. There had been no mention of the kidnapping case within Uruguay and Brazilian newspapers reporting it had been suppressed. The kidnapping case has caused a great deal of embarrassment in Brazil, but the policemen alleged to have been involved are still in their posts.

Madame Jenny, BEM, will wear a braided pigtail and baggy black trousers when ship-painting, and insists that women are better painters than men who, she says, are "usually lazier".

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ing Royal Navy crews and serving at cocktail parties on board. Madame Jenny was teased with champagne at Navy headquarters by Commander Bob Moland, and had a happy reunion with Lieutenant Commander Charles Addis, captain of the visiting tug Clare. She knew his grandfather, Admiral Lord Sea Lord, Admiral Sir Henry Leach, and the Commander-in-chief of the Fleet, Admiral Sir James Eberle.

Other personal friends included the First Sea Lord, Admiral Sir Henry Leach, and the Commander-in-chief of the Fleet, Admiral Sir James Eberle.

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lacked while being taken to the office. The robber was caught and the money recovered, but the incident caused anxiety to Mr. Bowles, the manager of the company.

Shortly afterwards the system was changed, and the people at the company began collecting the wages from a box in the office. Mr. Bowles gave instructions that the arrangements should be varied every three days, for example using taxis to collect the wages from private cars, going by different routes and having different collectors. The only drawback was that the money had to be picked up on Friday mornings.

Contrary to those instructions and unknown to Mr. Bowles, the money was collected in a pattern, usually done by Mr. Charlton, a senior chemist, and another employee, in Mr. Charlton's car and using the same computer.

In February, 1977, the two men were attacked and Mr. Charlton was nearly blinded.

The amount of the weekly collections was about £1,500. After making findings of fact, the judge concluded that he found it impossible to say that a firm with a payroll that size ought in principle to be a target of inescapable necessity to employ a professional security firm to make the collections. But at the end of the judgment, he said that it was a special case, and that it was a special case, and that it was a special case.

The principle to be applied was that laid down by Lord Reid in The Queen v. Mawhood (No. 2) (1967) 1 A.C. 617. "No person should be regarded as negligent if he does not take steps to eliminate a risk which he knows or ought to know is real, and not a mere possibility."

There was a real risk in the present case, but Mr. Bowles had taken reasonable steps to reduce it. It was significant that statistics relating to firms at the Barking industrial estate showed that the vast majority with payrolls up to £1,500 weekly collected the money from their own employees.

In the earlier part of his judgment, the judge was right. It would have been different if Mr. Bowles had not given proper directions, but in the circumstances the company was reasonable. His Lordship would allow the appeal, adding the hope that the Criminal Injuries Compensation Board would realize Mr. Charlton's plight and award full and adequate compensation.

Lord Justice Waller and Lord Justice Dunn delivered concurring judgments.

Constable cannot give permission to himself

Keene v. Muncaster  
A uniformed police constable cannot give himself permission to park his car on the footway of the road during the hours of darkness, the Divisional Court held.

The court dismissed an appeal by Stephen Owen Keene, a police constable, against his conviction by Hampshire justices for contravention of regulation 215 of the Vehicles (Construction and Use) Regulations, 1973, which reads: "No person shall, except with the permission of a police officer in uniform, cause or permit any motor vehicle to stand on any road during the hours of darkness otherwise than with the left or near side of the vehicle as close as may be to the edge of the carriageway."

The Lord Chief Justice, sitting with Mr. Justice Boreham, said that the appellant, in uniform, was on duty and engaged upon the task of getting a statement from a proposed witness or defendant. He was on his own, and had parked his car in a position parallel to the kerb in contravention of the regulation. The sole question for the justices was whether he could give himself permission, as a police officer in uniform, to leave the car where he did. The justices had decided against him and had given him an absolute discharge.

In their Lordships' judgment, the justices' conclusion was correct. In the ordinary use of the word "permit" in the regulations, it was not to be envisaged that an officer could give himself permission to park his car in a position parallel to the kerb in contravention of the regulation. It was against the sense of the regulation to think that the word "permission" there covered a case where a man asked himself, "May I give myself permission to do this?" and gave himself the answer "Yes".

Scope of Mareva injunctions

Bin Turki v. Abu-Taha and Another  
There is no reason why Mareva injunction relief should be confined to foreign defendants, the Court of Appeal said, in appropriate circumstances such an injunction can be granted against a defendant even though he claims to be based in this country.

The court allowed an appeal by the plaintiff, Bin Turki, against the decision of the trial judge, Mr. Justice Goff, who had refused to grant an injunction against the defendant, Mr. Abu-Taha, to restrain him from removing assets from the jurisdiction or otherwise disposing of them.

The MASTER OF THE ROLLS said that the plaintiff had a good arguable case to recover £34,000 from the defendant, who was a partner in a firm which was in liquidation. His summons under Order 14 of the Rules of the Supreme Court, 1965, was served on the defendant on 14 December 1979, and he was ordered to appear on 17 December 1979. The defendant failed to appear, and the plaintiff applied for an injunction to restrain him from removing assets from the jurisdiction or otherwise disposing of them.

The court held that the plaintiff had a good arguable case to recover £34,000 from the defendant, who was a partner in a firm which was in liquidation. His summons under Order 14 of the Rules of the Supreme Court, 1965, was served on the defendant on 14 December 1979, and he was ordered to appear on 17 December 1979. The defendant failed to appear, and the plaintiff applied for an injunction to restrain him from removing assets from the jurisdiction or otherwise disposing of them.

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Caroline Moorehead on the misplaced optimism about the industrialized world's energy resources

# The 10 precarious years when the West will be most vulnerable

In 1970 a chart prepared by the Oil and Gas Journal predicted that the average annual increase in oil consumption over the following 10 years would be at 6 per cent, from 38.7 million barrels a day to 69 million. This year, demand in the free world is in fact running at between 50-51 million barrels.

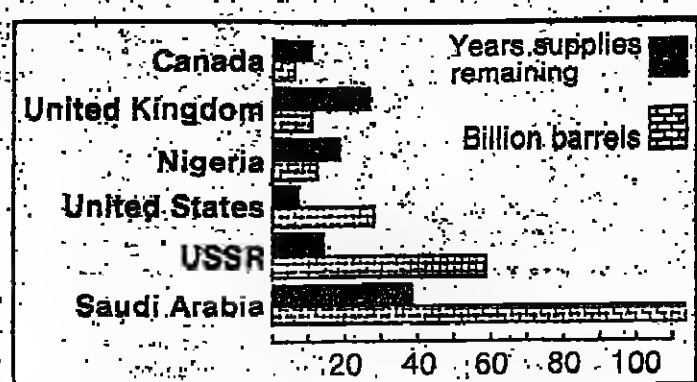
When the Royal United Services Institute ran a seminar on world resources in February 1978 they asked their speakers to consider, separately, minerals, energy, non-mineral raw materials and food. To regard those topics as independent one from the other would today no longer be possible. With the rise in the price of oil and the threat of its regular supply has come the realization that all the world's resources are interrelated and that all, in the end, depend on energy.

It is thus the future of energy that is interesting now, the pressures on it and the limits to which people will go to preserve it.

In the short term the energy picture is in fact quite good. Supplies for the remainder of 1980 appear reasonably assured with oil demand down this year by 3.5 per cent on 1979 levels and the 13 members of Opec producing an average of about 27 million barrels a day—just over half of free world demand. Stocks are at their highest in four years; about 85 days supply compared with 69 days in 1978.

In the long term, the picture is not so much bleak as confusing. At their most optimistic, experts envisage oil production in the non-communist world rising to about 57 million bar-

## WORLD OIL SUPPLIES



The size of reserves and rate of depletion at current levels for some major oil producers.

rels a day and keeping to that level to 2010 and beyond. If this figure is accurate, enough oil remains in the ground to meet demand for the next 63 years by which time coal, nuclear, solar and other alternative sources of energy will have been developed.

But their optimism is not widely shared. Opec in fact has reduced production by more than three million barrels a day, since the autumn and their exports are likely to decline in the future, partly because of a rise in their own domestic consumption, partly in keeping with their intention of husbanding their reserves. Production by Opec countries is unlikely to grow very much; increases from the North Sea will merely offset the decline in production from the older fields in the USA and Canada. Meanwhile the oil imports of developing countries must rise if their economic development objectives are to be met. And the Soviet Union, now exporting

about one million barrels a day, is likely to become a new importer of oil by 1985.

Optimists and pessimists alike agree that the industrialized world is entering an extremely precarious phase. "The dangerous period," said one expert, "is the next ten years." It is during the Eighties, when no alternatives to oil for energy are in full swing, when consumers are still to be convinced of the need for stringent conservation, that the economies of the West will be at their most vulnerable to any sudden disruption of supply. "The potential for conflict of interest," as one Shell economist put it recently, "is greater over energy than any other single cause."

He went on to point out that the problem today starts largely from the fact that despite the warning given by the overnight rise in oil prices of 1973, very little was actually done to educate the public in the new oil realities or to invest

seriously in alternatives to oil. One difficulty was that, even after the import price rose from \$2 to \$14 per barrel, oil was still cheaper than its alternatives, and this remained true for most of them until last year. The result is that the production of coal, in a state of worldwide decline over the past 20 years, has not picked up, that 60 per cent of the USA's enormous consumption of oil still goes on cars, that many planners today continue to prefer to envisage a moment when the homogeneity of Opec is broken by interquaque quarrels than by environmentalists over the siting of new power stations.

There is, too, the fact that changing over to new sources of energy is not merely vastly expensive but extremely slow. "Any energy project not already started today cannot contribute to energy before 1987 at the earliest," say the experts. Power stations take 10 years to bring on. Projects

to develop solar, wind or tidal alternatives are checked everywhere by the daunting size of the capital investment required.

The effect, as one oil man put it, is that "people contemplate disaster, but privately, despite good stocks, the major oil companies watch their influence in the world oil market dwindling rapidly, diversify as fast as public encouragement allows, and keep a keen and wary eye on a supply picture that could change overnight."

Apart from anything else, they have already parted away at all surplus BP, for instance, once a large crude oil trader, now have only enough for their own refining needs. Until well into the Seventies BP took 2.7 million barrels a day from three Opec members, Iran, Nigeria and Kuwait. By April this year they were getting nothing from either Nigeria or Iran. Yet no one is really willing to speculate on the implications of a further reduction in supplies. The talk is all vague, of rationing, of shared supplies, of a "new economic order based on other sources of energy."

Outside the oil world, people are more outspoken but still prefer to pose questions. What happens, they ask, if there is a state of insurrection in Saudi Arabia and the present oil output of 9.5 million barrels a day is cut off? (Britain gets 54 per cent of its oil imports from the Middle East.) If South Africa is taken over by a regime sympathetic to the Soviet Union? (South Africa is the world's biggest producer and possesses the largest reserves of platinum, gold, vanadium and aluminium, and is second in many other minerals.)

Mr Michael Ivens, director of Aims, who recently produced a document along these

lines called *The Resource War*, bewails the unpreparedness of governments in the face of the "oil threat" and points to the weakness of Nato and the fact that the world has no understanding of the dangers.

One former high-ranking military officer talked of setting up a Commonwealth fleet to patrol the seas against pirates in search of tankers to hijack. Others brood on the choice between an American invasion of the Persian Gulf and a world recession on a scale never before contemplated.

In the United States of America, Mr John Sawhill, Deputy Secretary of Energy, speaking of the need for international cooperation, recently called for "emergency planning." In this he included petrol rationing plans in case of a serious shortage (he did not spell out what might cause it) and setting up a strategic petroleum reserve of 750,000 million barrels. The United States Government, he said, had set a goal of reducing oil imports by 50 per cent by 1990.

"There comes a moment when countries become vulnerable because their dependence on imports is too great," said one speaker at the 1978 seminar. The USA alone will be spending \$90,000m on imported oil this year; Britain is totally dependent on imports for its chromium, cobalt, manganese, nickel, phosphates and vanadium. Both clearly are vulnerable.

But there are experts who believe the events of the last decade will prove immensely valuable. "We might otherwise," said one economist, "have headed for a major crash sometime in the Eighties. We have in fact been given time to prepare."



Mr Nguyen Co Thach: foreign minister with a mission

## Kampuchea: Vietnam read to talk at last

When Mr Edmund Muskie, the American Secretary of State, leaves Kuala Lumpur late this month after meeting foreign ministers of the Association of South-east Asian Nations (Asean) it is unlikely that they will be able to announce any far-reaching initiative on Indochina.

The visit of American secretary of state to the foreign ministers' meeting is now a firm annual date but it is more an occasion for confirmation of mutual aims than for ground-breaking. This month's visit will be no exception. But it is felt to be even more important than usual in the capitals of Asean as the Vietnamese presence in Kampuchea takes on more and more the appearance of permanence. It is now 17 months since their arrival and there is no sign that the 200,000 troops they have deployed in Kampuchea are about to be reduced.

There is much talk of wavering, and not only in the West, on the Asean-sponsored United Nations resolution calling for the withdrawal of all foreign troops from Kampuchea. The Vietnamese undoubtedly sensed that there was a lack of unity and recently sent their Foreign Minister, Nguyen Co Thach, to Kuala Lumpur and Bangkok to investigate. But the Vietnamese, while offering some new ideas of their own off the record, seem to have mistaken what was really aspiration for a break-through, for cracks in Asean unity.

In one sense, of course, the Vietnamese are right. There is a certain disagreement in the Asean capitals as to which superpower is the greatest threat to the region and how imminent is that threat. But in the main, the purpose remains the same: to register the fact that the Vietnamese took over Kampuchea by force and have been retaining it from its present position of "nothing to talk about" on Kampuchea.

Short of military action, which is both impracticable and except with outside help and on a scale that would have unpredictable consequences, there is very little that the Asean countries can do to reverse the Vietnamese invasion. And there is more than one vocal faction in the region which finds it entirely logical that the Vietnamese should have a friendly government in the country. Although an eventual accommodation is essential, what sticks in Asean's eye is that the Vietnamese have been known to annex territory by force in the past—that if they unconditionally accept the incorporation of Kampuchea into Vietnamese Indo-China, the next logical candidate is Thailand.

And from there it is only a few tank-days down peninsula Malaysia to Singapore and the city of Phnom Penh. Where there is no doubt that the Vietnamese are over the direction from which a first move to a settlement should come—Hanoi. But the Singaporeans, as usual, are the most vocal about it.

And that was why, I think, Thach's visit to Kuala Lumpur last month, in belief spread that the far foreign minister was way to offer something the negotiating ball.

The received view in Asean countries, it is that the Vietnamese have time on their side and political costs the Vietnamese and their sponsors are growing more unmanageable.

Having declared "mity" against the Vietnamese now, the Chinese now find themselves with a large pro-million-man army tied to the Chinese border, troops on combat duty, harassment from the Vietnamese and the Chinese between them, and a diplomatic situation that could be alleviated, help from the very who are registering approval at the V. conduct.

For the Soviet Union thinking goes, there monetary cost of assisting Vietnam, and the political cost of being a two world trouble spot same time—Kampuchea. Certainly values its diplomatic with the Asean countries, with Peking, Moscow, China still does not have relations with 5 and the Soviet Union maintain that edge in a relatively weak Asian countries as a counter-balance to Chinese-American ties.

The Singaporeans, have that the Vietnamese shortly realize that in danger of losing hard-won national peace in return for total and political dependence Soviet Union. They go to Chinese estimates growing strength of the Soviet Union, 50, 50,000 fighters, 50,000 recruits from the camps on the Thai-Kam border. Though the are hardly the most interested observers, it from recent studies with city of Phnom Penh. Khmer Rouge remain to be reckoned with during season now fighting, when conditions are the most favourable for the Vietnamese.

But whether this sort of factors will "convince" Vietnamese to change anybody's guess. I attempt to predict the of recent Vietnamese have proven that the Viet have proved resolute a chance is that the will remain long as Muskie's show, of so with Asean is over.

David

Bernard Levin

## I know a classic when I see one

I have little feeling for the cinema; it is not quite the blank, invisible realm that the ballet represents for me, but I have always found that there is a gulf between the screen and me, produced I think by the inescapable realization that it will be exactly the same tomorrow night. Better then, moving, no doubt, but so is a gramophone record, and I would never miss a concert on an opera simply because I had the performance by the same artists on disc for me. The cinema is to the theatre what a record is to a live performance.

It is also, I realize, a matter of custom and upbringing. In my youth, I spent so much time at music and the theatre that something had to go, and I therefore never acquired the habit of the cinema. The result is that I, indeed, have seen in total, very few films, and the number of those I have seen more than once is very small indeed; most of the Marx Brothers, some classics like *Citizen Kane* and *La Femme du Boulanger*, little else. And there is only one film I have seen again and again, as *Free As You Like It* or *Die Meisterstinger*, and shall go on seeing just as I shall go on seeing those I have just seen it again, and I calculate that that must make at least a dozen times in all, and probably a good few more. It is *Les Enfants du Paradis*.

Of course, there is another reason for my love of this film. I first saw it in the mid-Forties, when it first appeared in Britain—and when I was an adolescent. It hit me as hard as music. I saw it three times within a matter of weeks, and once a year or so for some time thereafter. No doubt it was the film's romanticism that appealed to me at that age, and no doubt the effect it had on me went so deep that it has never lost its hold, even when its romanticism seems to be taken into account, they do not explain the magic of this film. What does explain it, is that which can never be explained: *Les Enfants du Paradis* is a masterpiece, a work of art of exceptional and universal quality, a voice that speaks directly to the human heart. "Where all that is not spoken is pure silence."



Shouts from the gallery in *Les Enfants du Paradis*: a film with an extraordinary history.

quality, a voice that speaks directly to the human heart. "Where all that is not spoken is pure silence."

If you have never seen it (and that, it occurs to me, is an amazing way to start a sentence—would I entertain the possibility that my readers had never seen *Figaro* or *King Lear*? I had better summarize the plot. Partly based on the lives of some real characters from the "Boulevard" district, the French popular theatre of the nineteenth century, it tells of a woman who is loved by four men: the only one whose love she fully returns she loses him again, loses for ever. Meanwhile the teeming life of the children of the gods—the play on words—"gods"

means the theatrical gallery in French as well as English—is deliberate, of course goes on; her one true love (Jean-Louis Barrault, becomes the most famous figure of his day, the scorching player for whom she is just another conquest until he finds that she is more (Pierre Brasseur) goes on to become the greatest actor of the time; the boy Count to whom she gives her life but not her heart is complemented by the fiery, criminal who pride will not let him beg for her, and whose final act, *gratuit* brings about an ironic resolution of the struggle when it is lost for everybody concerned. And over it all presides Garance (Arletty), with her wide-set eyes, her grave,

classical beauty and a laugh that could have turned the head of St Simeon Stylites. I know the film almost by heart—indeed, there are many passages I do know by heart quite literally; certainly, as I sat in the Academy Cinema I found myself anticipating shot after shot, as I anticipate a loved phrase in an opera, a treasured line in Shakespeare, and I realised that I know this mighty epic of love and heart-break as well as I know the classics of the dramatic and lyric stage.

The film had an extraordinary history. Marcel Carné, who directed it from a script by Jacques Prévert, began shooting in 1943, when Paris was still occupied. I have heard it said that many members of

the French Resistance are in it, as part of the huge crowd scenes, which provided useful "cover" for them during the day; one of the screen credits is for a man whose contribution to the film was provided "dans la clandestinité". It was first shown in 1945, and must have been, for France, what the great days of the Old Vic at the end of the war were for the arts in Britain—a feast of colour and light and beauty and high style, after years of austerity, narrowness and dark.

It does not date at all, and I don't see how it ever could, for though its nineteenth-century atmosphere is remarkably convincing, its truth and beauty are timeless, and even the flamboyant performance of Brasseur does not seem in the least

grotesque—as, for instance, do the records of players like Beerbohm Tree. As for the ending, which becomes almost surreal with the white mask of Barrault floating among the white-clad carnival crowd as he struggles to get through to the carriage which is carrying Garance away from him for ever (I know the scene almost frame by frame, and could tell you to a fraction of a second the point at which Carné cuts to the face of Garance, her gaze set on eternity), it has become a cliché in other hands since, but every cliché was newly-minted once, and the power of that ending—desolation amongst gaiety, separation in the midst of unity, the heartbroken in counterpoint with the carefree—is as great as ever.

The casting is a masterpiece in itself. My lack of knowledge of the cinema prevents me from putting names to many of the faces playing some of the lesser parts, but there is not one that is anything but perfectly fitting: I remember particularly the old-clothes man, who moves through the film like the shadow of death (he is at Barrault's elbow, still taunting, amid the crowd in that final scene); "mon pauvre Avril", chief henchman of the criminal, the loving Madame Hermine, proprietress of the lodging-house, the manager of the "Furambules" mime-theatre, the blind beggar (I think that's Pierre Renoir and Robert Dreyer in the film somewhere, but I have never managed to recognize him—is he the manager of Lemaitre's theatre?), the plump bourgeois whose false charge against Arletty brings Baptiste-Barrault to her rescue and sets the whole chain of love in motion, the two epicene outsiders of the cruel Count.

*Les Enfants du Paradis* is justly regarded as a classic of the cinema. No cinema myself, such a judgment means little to me. But I know a work of art when I see one; I know poetry when I hear it; and I know truth when it is told in this fashion. I shall see the film again many times.

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## LONDON DIARY

### Euro-tank down the drain

Not long ago there was great enthusiasm for the idea of the establishment of a high-powered, independent think-tank—or policy research institute, to give it its fancy dress title—which would dream up clever answers to baffling Euro-problems like who should pay how much of the Community budget.

Now the scheme seems finally to have bitten the dust, with the new chief principal backer, the Ford Foundation of America, has decided to withdraw its promised support, running into several million dollars, and devote the money instead to the problems of Third World countries.

It appears that the Ford trustees, under their then chairman Mr George Bundy first put up the idea of a European Policy Research Institute, finally lost patience at a recent board meeting, with the Europeans' inability to reach a decision on what sort of institute they wanted, and

whether they were going to match the Ford money with some "Eurocurrency" of their own.

In the words of the minute from the Ford trustees' latest board meeting: "In view of other important demands on the Foundation's financial resources, the Board concluded that it should not maintain the contingent designation of funds for this project established a year ago."

I gather it is all Perfidious Albion's fault, again. James Callaghan, when Prime Minister, strongly supported the idea, particularly as there was a strong chance of the institute being based in London.

Ford's first idea was to establish a purely British independent think-tank, but it was opposed by a clutch of this country's "existing" research institutes. So the plan was widened, and proposals for an all-European institute, not necessarily confined to the EEC, emerged.

Bernard Donoghue, Callaghan's special political adviser, went off to Brussels and with some effort managed not only to get the other members of the Nine "back the scheme,"

with several million pounds of Community funds to match the Ford dollars, but he also aroused the interest of at least seven other European nations, including the Spanish and the Scandinavians.

But since then the Conservative Government has sent clear signals to Brussels that it does not share the previous incumbents' enthusiasm, and all the steam seems to have gone out of the plan.

Donoghue, now with the Economist Intelligence Unit, told me yesterday that the British volte-face was rather embarrassing as it was the British who sold the idea so strongly in the first place. They envisaged a Euro-version of the respected Brookings Institution in the United States, much less academic than, for example, the European University in Florence.

"It is a great pity that it has not got off the ground, particularly at a time when Europe badly needs some fresh thinking on its major economic problems, like stagflation and the Community's budget," Donoghue said. "At the moment there is a vacuum in serious economic thinking be-

tween the extremes of Friedman and Woodrow Wilson."

But alas, in the words of the Ford trustees, "there is no present assurance that the project will come to fruition in the near future." No danger of an EEC brain mountain this year.

### Extra-ordinaire

And now, some more encouraging news of Britain's standing in Europe.

Whenever Robert Mapley visits cellars in Bordeaux from now on, they are supposed to bang on a barrel 12 times with an old vine root as he comes in. This is because Mapley, an enthusiast for whom wine is a retirement hobby, has just been installed as a Commander of the Bontemps du Médoc et des Graves, the Châteaux owners' fancy-dress guild.

Mapley's claim to fame is that he was the most successful member of a British wine-tasting team which beat the French at their own game of spitting and guessing last year.

she can't be doing very well or there wouldn't be quite so many pieces in her favour.



Mapley, hitherto a stalwart of the improbable-sounding Epping Forest Wine Society,

assured British victory by reeling off correct identifications for five vinegars of Cos d'Estournel back to 1829. The feat was reported with astonishment in the French press, and our man became a celebrity.

The owners of a leading chateau invited him as a house guest, and showed him off with pride last week to envious neighbours anxious to solicit his views of their products. Mapley, understandably, was happy to oblige. It is nice to know the French can be good losers once in a while.

A Home Office mole reports a new system devised by senior civil servants there for reading the mood of the Secretary of State, William Whitelaw. It involves counting the number of times he says "Dear, dear" in reply to any remark, suggestion, news or proposal. There were fears for his life the other day when he was heard to utter no less than 21 successive "Dears." But his staff were most understanding: the reason for his display was a memo from the PM.

### Porn ticket?

Under the old regime at the British Museum reading room, now part of the British Library, the collection of erotic literature was kept firmly out of sight and out of the pages of the library's official catalogue. Only those who knew of the existence of the secret cases hidden well away from view were able to consult these dangerous tomes, and only then if they could locate exactly what they were looking for, and could prove that their purpose was one of serious research.

A huge new catalogue of the library's reference division is now being compiled for publication in 1984, and for the first time the forbidden fruits of erotica are to be included. Seekers after printed thrills should then be able to enjoy themselves.

But there is still little danger that the limited available seating will become crowded by short-sighted men in shabby raincoats. The business of obtaining a reader's ticket, never easy even in Karl Marx's day, is becoming ever more difficult as the library tries to stem the tide of intending readers' knock-

ing at its door. Even now pensive readers are discomfited if the books they wish to consult are available elsewhere.

Since the average provincial library still takes a rather naive view of pornography, it is a fairly safe bet that most of the British rare's erotic collection will be available elsewhere. Co-seurs of such material from the more obscure title erotic literature if they will plough through the new logue to find the key to forbidden cases.

A news item in last week's edition of Soviet Weekly *London-published* journal *Pravda* from the USSR named "Zadie work Dushanbe, Tajikistan. Filled an order for machine gun returning from Afghanistan." Propaganda machine expect: some of the cup parns will certainly need winding to make them acceptable to the folks home.

Alan Hamill

كندا من الأصل











# THE TIMES

## BUSINESS NEWS

Recession  
on summit  
agenda,  
page 19

### Foundry group dismisses 700 workers in reply to union sanctions campaign

By Clifford Webb  
Midlands Industrial Correspondent

Birmid Quiclast, the Midlands-based foundry group, has sent immediate dismissal notices to nearly 700 of the 300 employees at its Birmid plant in Quinton, and announced plans to close the site after a two-month confrontation with workers. The remaining 200 are to be made redundant.

The management's reply to a long campaign of "go slows" and sanctions has sparked off a bitter dispute with the unions. Last night Mr. Ron Marston, regional organiser of the Transport and General Workers' Union said: "The first thing we knew of this was when our members received immediate dismissal notices from the company on Friday. The unions received no communication from the company at all."

"Many of our people believe Birmid is using the dispute to close the place down and avoid paying redundancy money. If the company is in financial difficulties, why were we not consulted? We have been very helpful to firms which have taken us into their confidence in similar circumstances."

Mr. Marston said that in April when manual workers imposed sanctions in support of a 20 per cent pay claim. The most telling action was a blockade on all products leaving the plant, which makes wrought alloy parts for the motor, aircraft



Mr Brian Fitton (left), deputy chairman, and Mr James Lasch, chairman, taking a hard line at Birmid Quiclast.

and general engineering industries.

Six weeks ago, the management, led by Mr James Lasch, chairman, laid off nearly 700 hourly paid workers for refusing to resume normal working. The men claimed it was a "lockout".

Last night a company spokesman said that hourly paid workers received a 15.3 per cent pay increase in August and it was "quite impossible" to entertain a further claim for 20 per cent from April 1 this year.

He said that before industrial action took place, management had consistently expressed its willingness to discuss a pack-

### Big slump in demand and strength of sterling result in £3.6m pretax loss at Lesney

By Richard Allen

Lesney Products, the troubled Matchbox toy group, yesterday revealed a fall into pre-tax losses of £3.6m in the year to the end of January.

This compares with a previous profit of £1.5m and provides a stark picture of the crisis in the toy industry, which at its most extreme has contributed to the collapse of Dunbee Combex Marx, a rival group.

Interest charges alone last year absorbed £5.6m as borrowings soared to finance stocks stranded at the group's warehouse in the year to the end of January.

The group earlier this year cut its 7,500 workforce by a fifth and introduced short-time working at its factories. The cost of this move included an exceptional debit of £2.1m, which helped to increase attributable losses to £4.7m.

Lesney has announced details of a management reshuffle. Mr Leslie Smith, acting chairman since the departure of Mr Paul Tapscott at the end of the last financial year, is to step down in favour of Mr Gordon Hay. Mr Maurice Alberger is to become finance director.

Mr Smith, who is to remain chief executive, said last night that the appointment of the two new directors was designed to strengthen the board.

Details of the group's borrowings would not be available before the annual report due next month, he added, although it is thought that debt doubled to around £42m last year.

He discounted suggestions that the group was planning a rescheduling of its borrowings although he said: "Our bank-

led by Midland, are fully in touch."

"We are very, very confident about the trading future. We have turned off the production tap and we are confident that we can reduce our stocks and borrowings to bring the group back into a strong trading position by the year-end."

Lesney was also hard hit last year by the strength of sterling—the group exports around 80 per cent of its production—and reorganisation losses in Japan and West Germany.

The group's shares fell 2p to 15p yesterday on the announcement.

Financial Editor, page 19

### Court pledge on assets by Forlink

By Philip Robinson

Forlink, a subsidiary of Bamfords, the former agricultural machinery manufacturer, promised the High Court yesterday it would not dispose of any assets of its parent company without permission from the court.

Forlink acquired the assets under an agreement with the Bamfords' board in May.

The undertaking was accepted by Birmingham steel stockholders Gardner Steel, a creditor for £50,802, whose petition for the compulsory winding up of Bamfords is due to be heard on June 30.

However Mr Justice Vinelott rejected an application by Gardner to file an affidavit listing the number of directors notified of the service of the petition, which was lodged six days before the "winding down" agreement was made between Forlink and Bamfords.

Mr Daniel Serota, for Gardner Steel, said there was suspicion that evidence about whether directors had been informed of the petition had been deliberately withheld.

The judge refused to call for further evidence after counsel for Bamfords said the omission was due to lack of liaison and a "chapter of accidents". He continued an earlier order enabling Bamfords to continue limited trading until the hearing of the petition.

In a sworn affidavit, read in court Mr Leslie Riley, Bamfords' managing director said: "Although three executive directors of the company were aware of the existence of the petition, they were not made aware of its significance or that it would affect the proposals for living down the assets of the company."



Airline protest: British Caledonian employees staged a protest yesterday against the Government's threat to withdraw the airline's licence to operate on the London to Hong Kong route. Off-duty pilots, air hostesses and engineers marched across Vauxhall Bridge to Westminster behind the British Caledonian pipe band to urge Mr John Nott, the Secretary of State for Trade, not to bow to political pressure from Hong Kong.

### Hauliers in protest at training board

By Michael Bailly

Road hauliers are seeking an urgent meeting with Mr. John Prior, the Secretary of State for Employment, over the "intolerable" situation of the Road Transport Industry Training Board.

They complain of being forced to pay increasing levies to the board for training which they regard as largely superfluous and which, in many cases, competes with their own training programmes.

The board, which provides training for drivers, apprentices and managers in the road transport industry is one of the largest of the government inspired industry training boards. It was disclosed in Parliament recently that Mr. Eric Tindall, the board's chief executive, was the highest-paid of the board chiefs with inflation-proof £29,000-a-year salary.

In a letter to Mr Prior, Mr George Newman, director-general of the Road Haulage Association said dissatisfaction within the RHA with regard to the RTITB has reached the point where the position should be brought urgently to the attention of the Government.

It sought "a government initiative to rectify an increasingly intolerable situation", Mr Newman said.

The RHA has called for a full examination of the RTITB's financial and administrative arrangements and for a reduction of its function to a purely advisory service to the industry.

"While road haulage companies are compelled to reduce expenditure in order to survive, the board not only receives higher levy income as a result of annual wage increases but also remains essentially immune from any of the financial restrictions or pressures the industry is facing", the memorandum says.

"The board uses levy money to meet the cost of inflation-proof salaries for a large number of its staff, to increase the amount spent on administration and to enlarge the emergency fund. It is in our view, totally wrong for employers to be denied what is in effect their own money which is needed for vital training."

The RHA complains that the board creates difficulties both about paying grants to companies which carry out training, and exempting others from paying levies on the ground that they have their own adequate training of their own.

The result is that, at a rate of two per cent, transport has almost the lowest exemption rate of any industry, though about 70 group training schemes are operated by companies in the organization.

The RTITB is accused of "unnecessary duplication of resources" and setting up activities in competition with the industry's own companies which contributed funds to establish these activities, and whose own training was granted aid from the funds.

The taxpayer as well as the industry would benefit if hauliers were left to provide their own training and the RTITB was confined to advice on a fee-paying basis, the RHA says.

The board, which has a staff of nearly 900 and spends £39m a year, declined to comment last night. It hoped to consider the RHA allegations later this week, a spokesman said.

### Unions agree Shotton redundancy terms as Lonrho shows interest

By R. W. Shakespeare

Northern Industrial Corporation, the steel group, has reached agreement with the British Steel Corporation and steel industry unions on the terms under which nearly 900 more workers will lose their jobs at the Shotton steelworks on Deeside over the next two weeks.

The final large-scale redundancies at Shotton where about 7,000 workers have already lost their jobs through the shutdown of iron and steelmaking and hot rolling operations—mean that by the end of this month the workforce in the steelmaking cold-finish plant will have been cut by 873 to 3,356.

"The deal between BSC and the unions includes a percentage bonus increase for the workers who remain,

Although the basis of the deal has now been agreed after many weeks of negotiations a number of issues are still unresolved, including the question of overtime—which management wants to abolish—and the controversial issue of introducing "clocking on".

The Shotton plant is the subject of a detailed report, drawn up by Mr Derek Norton, chief executive of Lonrho's engineering division which owns the Hatfield private steelworks at Sheffield.

Mr Norton and other Lonrho officials have been in Shotton to make a private inspection of the facilities and there have been suggestions that the company might be considering making a bid for the plant.

"The difficulty would be agreeing a figure," Mr Norton said. "The sum of £150m was floated in the press by British Steel, but the steel plant, including the finishing end is only worth about £2m in scrap."

Nevertheless, Mr Norton appears convinced that a private management team could make a success of running the Shotton operations and that about 2,000 jobs could be recreated.

"We are so confident that we would take it on an ex-gratia basis. If we did not make money, don't pay us. If we make money, give us a share of the profits."

Mr Norton also said that whoever committed the nation to the Shotton finishing operations in their present form must have been "wrong in the head".

Lonrho is said to be ready to welcome other private entrepreneurs to join in a Deeside venture.

### Encouraging signs as TUC takes a closer look at Sir Keith's proposals

By Patricia Tisdall

Management Correspondent

A government policy which concentrates on improving the overall economic climate rather than on supporting specific industries, won some sympathy from the TUC at yesterday's National Economic Development Council meeting.

Sir Keith Joseph, Secretary of State for Industry, said the danger of subsidising was that they could frustrate desirable changes by prolonging uneconomic activities.

In his view there was no direct action the Government could take to help industry to become more competitive, to adapt to consumer needs or become more profitable.

The TUC is to submit its views on the policies outlined by Sir Keith in writing. Considering the gulf between the TUC and the Government it was considered encouraging by NEDC observers that the policies were not immediately rejected.

Mr Len Murray, general secretary of the TUC, agreed with Sir Keith that there was a dilemma between "picking winners and spraying money around" in the application of state aid.

At least three aspects of the policies outlined by Sir Keith are likely to be regarded as olive branches by the TUC. One

is a promise that the Government intends to promote the use of public purchasing as a means of making British industry more competitive.

Details of how this can be done are likely to be discussed at next month's NEDC meeting. However, Sir Keith may be looking to France which is using its state-owned telephone service to spearhead an ambitious programme aimed at making the country the world leader in products which combine the use of computer and telephone, as an example.

A second area of possible consensus is the acknowledgement that special assistance is needed to persuade internationally mobile projects to be located in the United Kingdom.

While the Government, through the EEC and the organization for Economic Co-operation and Development (OECD), is seeking to abolish such special investment incentives. We had to accept that our chances of securing internationally mobile projects would be diminished if we did not have the capacity to offer assistance in appropriate cases," Sir Keith said.

The TUC, while critical of its application is likely to support a shift in manpower policies towards retaining and housing mobility rather than in subsidised retention of jobs.

"The Government recognizes that people feel apprehensive about industrial change which may alter existing working practices," Sir Keith said. "It accepts that it has an important role to play, for example in the provision of the services of the Manpower Services Commission and the education system."

However, he added that "while the Government is willing to help alleviate problems associated with change, it is anxious not to do this in a way that prevents the change occurring."

In a paper summarizing continental measures to facilitate industrial adaptation to new conditions, Mr Geoffrey Chandler, the director general of NEDC said that there has been a definite shift from negative policies of job retention to positive policies aimed at promoting the occupational and geographical mobility of labour.

A perceptible trend towards across-the-board policies of government support was observed on the continent, Mr Geoffrey Chandler said. "There has been a growing disenchantment with selection based on the past failures of government officials to 'pick winners'."

It was recognized that powerful lobbies often led to spending money on "propping up" between the CBI and the TUC shortly,

losers" instead. Other disadvantages were the tendency for various governments to pick the same industries for special treatment which led them to cancel out each other's efforts.

"It was also realized that there are likely to be winners and losers in the process of restructuring and that all should not sink or swim together."

While agreeing that there was a case against selective assistance, the TUC yesterday reiterated its criticisms of lack of government action in across-the-board policies.

It expressed concern about the reductions in the microelectronics industry support programme; the delay in a decision about James and about, loaded with government measures to stop imported goods being dumped in the United Kingdom at unfair prices.

The Confederation of British Industry, while broadly supporting the Government, complained that new technology and research and development may need more State assistance during a period of poor profitability.

It also considered that more should be spent on encouraging geographical and occupational mobility of labour. A programme of talks on general economic topics is due to start

### Alfred Herbert to sell another subsidiary

By Edward Townsend

Alfred Herbert, the struggling United Kingdom machine tool group, has reached agreement in principle to sell the Herbert Sigma measuring and inspection equipment operation at Letchworth, Hertfordshire.

Mr Peter Rippon, the group chairman, yesterday declined to reveal the identity of the purchaser. Negotiations are continuing and we have been asked to say nothing at this stage," he said. It is believed, however, that the buyer is a non-British European company.

Herbert Sigma has been a profitable part of the group and was considered a prime choice for disposal. It has a turnover of about £5m a year and produces small instruments, gauges and switches such as high precision aircraft controls.

The Herbert group, owned by the National Enterprise Board, has now sold, reached agreement in principle or is discussing the sale of five of its fringe operations. Disposals are the key to the success of its "final" survival plan, announced by Mr Rippon in January, which involves a major streamlining of activities and a further 700 redundancies.

Herbert, which has received £43m of public money since

1975, was told at the end of last year that it could not expect further state support and must be self-financing. Subsequently the NEB gave the Herbert board full responsibility to dispose of assets.

These include Herbert Numerical Controls, the high technology systems subsidiary at Woking in Surrey. Mr Rippon said that heads of agreement had been signed with a "large British manufacturer" for its sale and the deal was expected to be concluded within the next two weeks.

At one time, Mr John Bloomfield, the Herbert NC managing director, was attempting to raise finance to buy the company, but this now appears to have failed.

Earlier this month it was announced that Clarkson International Tools part of the Thorn EMI group, was to buy Herbert Tooling of Coventry for an undisclosed sum. Neither this sale nor that of Herbert Sigma is expected to lead to redundancies.

The drilling, boring and milling machine business at Lutterworth is also being sold. Discussions are now taking place for the sale of Herbert's Mackadown Lane plant in Birmingham.

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energy,

19

Stock Markets  
Iad 467.6 up 11.1  
Gilts 69.58 up 1.17

erling  
3410 down 10 pps  
dex 73.9 up 0.3

ollar  
dex 83.1 up 0.1  
1.7660 up 115 pps

old  
95 down \$12

oney  
nth sterling 163.16  
nth Euro-S 84.94  
nth Euro-S 84.94

N BRIEF

### Grieved and wins in order platform

former Marathon oil rig, yard at Clydebank, run by the French UIC company, has ordered for a new £17m platform. The yard shutdown 14 months the contract will mean jobs there are secure for 14 months.

The announcement of the order for Paernago, a drilling company, was the launch of a drilling contract for Salpen AG, an company.

Mr Bass, chairman of negotiations, was also a with a number of customers about orders.

There were "strong expectations" that the yard would win additional orders for a offshore work.

Chief resigns  
Northern Industrial Corporation, the steel group, has reached agreement with the British Steel Corporation and steel industry unions on the terms under which nearly 900 more workers will lose their jobs at the Shotton steelworks on Deeside over the next two weeks.

Financial news, page 20

Laries concern  
The Association of State Industry over the difficulties could be caused by the ant pared back the ned increases made test report of the Top Review Body, to well a current level of in-

storage plan  
Duffryn, in partnership with Dow Chemical, the company, is to spend £19m, over two years bulk liquid storage at Powell Duffryn's at Bayonne, New 1 the United States.

or Oxirane  
ic Richfield, the oil company, is paying \$270m to buy the rights to use it did not already n Falcon International, was set up as a joint between the two in

Financial news, page 20

a oil price  
which supplies three t of United States oil ay decide to raise oil within a few weeks.

street higher  
e New York Stock Exe the Dow Jones indus- srange closed 1.36 points 77.3. The dollar against R was £232.44. The was 0.565397.

### PRICE CHANGES

Stores	14p to 428p	Stock Conv	14p to 420p
in Bros	22p to 228p	Sun Alliance	16p to 640p
Bids	25p to 341p	Thorn EMI	12p to 24p
14p to 14p		Voeper	22p to 160p
1 Tel	12p to 332p	WGI	20p to 110p

ham	7p to 207p	Harrisons Cros	13p to 737p
old Fields	10p to 479p	Hewden-Stuart	10p to 50p
10p to 143p		Millford Docks	10p to 133p
Mining	68p to 854p	Reed Int	8p to 196p
12p to 750p		Venterspost	47p to 67p

Bank	Bank	Bank	Bank
buy	sell	buy	sell
a S	2.08	Norway Kr	11.70
Sch	30.45	Portugal Esc	116.50
Fr	69.00	South Africa Ad	1.12
S	2.72	Spain Pta	2.12
K Kr	13.15	Sweden Kr	12.60
Ndk	8.52	Switzerland Fr	3.24
FR	9.85	USA S	2.35
Y	4.27	Yugoslavia Dm	65.00
De	102.00		
11.65	11.30		
1.13	1.09		
1990.00	1990.00		
525.00	500.00		
ands Gtd	4.68		

### A new electronic till to add up the drinks and calculate stocks

### Microchip rescue for the harassed barman

Patrons of bars who suspect that their orders are miscalculated by harassed barmen will be relieved to hear of a push-button invention which can be installed behind the bar, although they will be saddened to hear that it will also enable breweries to put up prices at the stroke of a key.

The barman presses a specific button for the drink he is serving and another to identify himself as the server. The device adds up the total cost of the round and displays it in front of the customer while automatically deducting the drinks from stock totals.

It was conceived by a hotelier and has unsurprisingly, cyn-

ics would say, attracted interest at the Scottish Development Agency, which has said it would provide secondary finance if it is required.

Mr Ralph McLean thought of the idea, although he was helped by his cousin and the mathematical skill of his son.

The bar and stock management system was designed by Zonal Retail Data Systems and is the latest electronic point of sale controller to appear on the market for the retail trade. It will be known as the LTR0.

The bar manager sets the drink prices by programming the microprocessor for his prices. The unit can handle 20

preset drinks and has blank keys which can be set for cigarettes, nuts and crisps.

The barman of the future will not be subject to accusations of miscalculations; he will not even have to know the price of drinks, because he merely has to press the appropriate key.

The suspicious customer will be able to check his receipts with the aid of a small printer, attached to the unit, which will produce an itemized receipt including the barman's name.

Brewers have one of the most complicated points of sale operations in the retailing trade and a number of breweries are interested in the

THE ALBERT FISHER GROUP LIMITED			
INTERIM STATEMENT (Unaudited)			
	6 months	6 months	12 months
	to 30.6.79	to 30.6.78	to 30.6.77
Turnover	28,226	28,278	51,879
	£	£	£
	2,107,368	1,977,140	4,449,900
Profit before taxation	37,682	38,185	98,183
Taxation (estimated)	(19,500)	(16,000)	(51,458)
Profit after taxation	18,182	22,185	46,725
Dividends			12,500

Sales for the comparable period of the previous year have been considerably increased but although a similar earnings figure was achieved profitability in relation to sales was not fully maintained. Trading is continuing at the higher level, and with the better months still to come results for the latter part of the current year should show an improvement on those now submitted for the first six months.

In spite of many obstacles encountered in present trading conditions I look to a satisfactory final result.

FRANK HAWTIN  
4th June, 1980





The Japanese government plans to spend 2,900,000m yen (\$5.731m) in its search for alternative energy sources like geothermal development, coal and wind power in the next decade to reduce drastically the nation's dependence on oil.

**Associated Dairies'** original proposal also included supermarkets, factories and offices. The other three short-listed schemes are for conventional complexes including offices, factories, shops and flats.

sors say: "The idea of polluted mud as a medium is to see if the process, which leaves plant food minerals as residue, would collect lead and cadmium and other toxic elements. The idea is to refine and


The Systems Designers group, in which the National Enterprise Board holds a 26 per cent stake, consists of four operating companies. In addition to Systems Designers and Sysmaster, there are Systems Production, a hardware company which has specialized in "rugged" micro-processor-based systems, and

This should be rejected, and not only for the use of the tiresome and fashionable word "parameters". Since the war British managers have probably belonged to more associations and participated in more con-

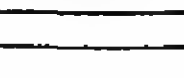
But surely the penny has dropped and British managers must realize that their job is to get on and produce results?  
Yours faithfully,  
MICHAEL IVENS,  
Director,  
Aims,  
40 Doughty Street,  
London WC1N 3PF

2. The industrial countries have an incentive to in or at any rate, not to output, because oil in ground is no longer worth than the proceeds of sell

Essex CB 1 6 RH  
Tel. 0799 - 24030



## Garanti Invest Limited



**Garanti Invest Limited**  
**278-282 High Holborn**  
**London WC1V 7HA**

**Scandinavian Office**  
**Sheppeydon 5-6**  
**41121 Göteborg Sweden**

To Garanti Invest Limited  
278-282 High Holborn, London WC1V 7HA  
Please send me your Sapphire Investment details  
without obligation to:

Name

Address

☐ Please tick if you are a financial adviser

It is called Cedrec (Computerized Electricity Demand Readline Energy Control) and it is the basis of a family of products.

Monitoring and control of the rate of electricity demand as well as of the total consumption is important for industrial users who pay two-part tariffs.

The first part is for energy consumption and the second part is for demand—the average power consumed over a fixed period.

Demand reflects the capital costs of the generation and distribution system required to supply the electrical energy. It is usually between 10 and 50 per cent of the electricity bill.

The Cedrec units achieve optimum energy consumption within a specified target demand by continuously calculating the electrical load that the user may take.

The user can operate his plant at the lowest cost in terms of demand and the supply utility is able to give maximum energy at minimum capital cost—at the highest possible load.

**Kenneth Owen and  
Bill Johnstone**

Switzerland, June 13.

**Looking in the right  
place for talent**

*From Mr K. Bryson*

Sir, Mr Alan Forsyth (Letters, June 10) is looking in the wrong place for his managerial talent. The lower middle managers working in bigger companies will stay where they are (under induction and trial as Mr Forsyth describes) until they succeed to senior management, or will leave only if they see failure approaching.

Senior managers who have maintained and protected their own individuality during the earlier period of induction and trial will not wish to go through that again with Mr Forsyth's company. The greater freedom of expression, experiment and authority which comes with senior management has been hard-earned and will not be given up lightly, and any change offered or sought must

Switzerland, June 11.

Mr Forsyth still has choice; He can take on a young person from one of the colleges and mould him in his own image (the general tone of his letter suggests to me that this is what he really seeks) or he can negotiate with a senior manager from another firm who will be older, expensive, and have a mind of his own.

Better still, there are plenty of experienced senior managers who have suffered redundancy (which must not be confused with lack of ability) again probably harder than he has perhaps considered, but they too have their price.

Yours faithfully,  
**KETH BRAYN.**  
1-2, Lewfield Road,  
Caversham,  
Mr Reading,  
Barks.

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partitions. 30  
speech privacy**



**INTERFLEX**  
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Essex CB11 6 RH  
Tel. 0799 - 24030

هكذا من الاصل



BY THE FINANCIAL EDITOR

## A boost now from the trade figures

ay's trade figures were just the sort of encouragement financial markets were looking for to keep the recent upsurge strong. After April's £214m deficit, turning into a surplus of £32m on the account, and the trade balance a similar trend with April's £264m bringing to £18m in May.

surest sign that the economy is in the way financial markets want comes in the import figures with down 44 per cent in the March to April compared with the three months

the underlying picture looks better with the restocking after the like estimated to have had an adverse about £110m in May after a broadly impact in the first three months.

the gilt-edged market has shrugged week's disappointing banking figures suggested that the authorities have m for manoeuvre on interest rates early exhaustion of the long tap y provided a solid foundation for ie board rises.

may well have been a certain of the herd instinct among fund s worried about losing out in the ally of the last two weeks in yester- 1 point rise to 467.6 in the FT-30 index but there is no doubt that have convinced themselves they through the tribulations of the next so more clearly than even a few

he wire losses of £3.6m (against profits of was worse than expected and the st another 2p to 15p which is some w the year's high. Moreover, it is fraction of last-year-end's stated share asset value (now presumably plered) and provides a fair indica- he extent of the market's recovery

olders will now have to wait for al report to see how badly Lesney a ravaged by the stock build-up llowed the group's failure to cut- duction quickly enough when virtually collapsed in the second-

is clear is that interest charges to £5.6m last year and it is apparent rowings have doubled to around ere they now exceed shareholders'

estion now is whether the extreme of the toy industry are close to come and whether a strengthened ent team at Lesney, having brought n to a near standstill, can run- ks quickly by selling into a hope- vering retail market.

orks optimistic. There is little sign turn has come with high interest arting customers from ordering and strength putting particular pre- port groups like Lesney.

the side of speculators is the fact ney has survived toy industry s like this before; that its bankers rently lending full support and that Matchbox product is still a name ckoned with (although competition die-cast market particularly from 1 producers has become fierce).

or other hand the fact that would-be or assets of the collapsed Dunbee Marx group have yet to materialize, ppear to rule out hopes of a bid an early end to Lesney's current

OS ing profits ie pace of its results yesterday Hambros ad been among the best performers rone merchant banking sector. 3 profits figures were comfortably 3er end of the market's expecta- After tax and extraordinary items are up from £11.9m to £12.1m in r to the end of March but the c marginal increase conceals some ng swings and roundabouts.

Capital gains which last year had been a major feature of the results, and which Hambros argues are part and parcel of its business, are now down from £4.75m to £1.57m of which a third has been accounted for by Berkeley Hambro, the property company in which the group has a 45 per cent stake. Extraordinary items are, however, up from £10,000 to £726,000 thanks to capital profits made on an associated shipping company which has now been sold.

But stripping this out leaves net profits up from £7.1m to £9.8m. This includes a sharp improvement in the disclosed banking profits which more than doubled from £1.4m to £3.1m. But the problem here is that Hambros has made in the past substantial withdrawals from its inner reserves and has been replenishing these ever since.

The Norwegian Government no longer guarantees shipping losses but Hambros has not included in its profits any interest on shipping that it is not confident of getting this year. And overall, Hambros claim that the arrangements for the repayment of the shipping loans are working to plan.

Hambro Life, in which the group has a 45 per cent stake, has already revealed its results and the group's share of profits—all of which are paid in dividends—rose from £3.2m to £4.8m. For the time being Hambro Life is not only the market leader in its field but does, obviously, benefit from consistently higher premiums boosted by inflation.

The board's confidence is underlined in a 51 per cent dividend increase, where the shares yield a modest 5.2 per cent at 454p. Merchant banks may face increasing petition in the long run but for the time being at least are on a better growth tack.

Several have diversified into profitable activities after the poor performance of the past few years. And with a stronger pound and the prospects of lower interest rates they look set for improved profitability this year at least.

### Dawson International

#### Riding the textile cycle

Those who clothe themselves in cashmere evidently do not feel the pinch like other consumers and although Dawson International has felt the loss of rich tourists in the United Kingdom, it has chased the wealthy overseas with fair success.

Knitwear sales, for instance, remained flat in volume terms in the United Kingdom in the year to March 31 but a one-fifth rise in export volume left total knitwear demand up by 14 per cent. So far this year—and Dawson takes orders for delivery months later—knitwear sales are showing similar growth.

Last year's increase in pretax profits from £16.3m to £18.2m included a full year against three months from Haggas. Ignoring Haggas, profits would have fallen slightly. But then the rise in sterling lopped about £2m from profits, of which maybe a third related to overseas balance sheet items. In any event, the results were good for a company involved in textiles. And Haggas, which roughly maintained profits, has done far better than its Yorkshire counterparts in worsted spinning although fake fur fabric must take some of the credit for this.

Although the recession in textiles looks set to continue for some while yet, there are reasons why the disasters of 1970-71 and 1974-75 at Dawson should not recur; not least stable raw material prices and £21m net liquid funds in the balance sheet. Stocks did rise sharply—by 65m to £32m—in 1979-80 but the withdrawal from wool merchandising will ease working capital pressures and Dawson has recently closed or sold some of its more unsatisfactory operations employing about 480 worldwide.

Dawson has spent £4m on updating machinery, enlarging fur fabric capacity and expanding luxury knitwear where it has a 60 per cent market share. The group is talking confidently about acquisitions in the months ahead and Dawson will also be trying to lift Haggas's exports from a tenth of sales to nearer the 50 per cent achieved by the rest of the group.

All of which suggests that the shares at 107p—up 6p yesterday—are taking too gloomy a view of prospects. The yield is 10 per cent after the 5 per cent dividend rise and the fully taxed, fully diluted p/e of 7 is leaving nothing to chance.

There are only a limited number of hours in the day in which people can work creatively. Given this tedious truism, an outsider might suppose that those in charge of an organisation like the British National Oil Corporation should be encouraged to devote those hours substantially, if not exclusively, to conducting and planning the affairs of the corporation to the best of their ability.

On the other side, it might be expected that the Secretary of State for Energy and his hard pressed officials would concentrate their finite talents on the important problems of British energy policy, like the future of nuclear power, or the continuing problems of the coal industry and electricity generation.

To such an outsider it might, therefore, seem surprising to learn that in the past year so much time has been spent by both groups on an issue that seemed to be causing no particular problem, namely the future of the BNOC.

All the available evidence points to the fact that the BNOC works perfectly well in its own terms and as an actual (or potential) instrument of government oil policy. The modifications to the way in which the corporation operates that were introduced when the

Hugh Stephenson

## A dreadful waste of energy

present Government came to office seem to have had the effect of removing most, if not all, of the irritants to the rest of the oil industry. There is very little evidence of any pressure for a big change in present arrangements for the operation of the BNOC from any quarter, except from within important parts of the Government itself.

The Prime Minister and her Secretary of State for Industry seem to take the view that it is doctrinally offensive for a state owned commercial body to exist, unless on the basis of some overriding reason of national interest, as in the case of say, Rolls-Royce, which would be bankrupt if not underwritten by the Exchequer.

The result has been a year during which large numbers of highly paid and talented people have been involved in a protracted, tiring and pointless bout of siege warfare. BNOC has been engaged in a defensive fight to save its bastion from being undermined in the way that has befallen the National Enterprise Board.

On the ramparts and in the breaches, the fortunes of the defenders have swung this way and that. It may be too early to say that the assault has definitely failed, but it looks increasingly as if the Government will decide to be content with the very limited degree of "privatization" that the BNOC itself

was in fact offering, namely the issue of the so-called North Sea granny bonds to the public, leaving the essential structure of the BNOC intact.

If that is the case it will be a triumph for the view that things come out all right in the end. For almost every promise on which the Government based its assault on the BNOC fails to stand serious examination.

Indeed it has been difficult at times to suppress the view that the main motive for forcing a "hiving off" of part or all of the BNOC was precisely because it was proving obstinately difficult to find any other substantial part of the public sector where it could be done and that Mr Howell wished to earn Thatcherite spurs at the end of the fight.

Thus, for example, while there are clearly economic and industrial difficulties of a serious kind with giant state monopolies and near-monopolies, like the Post Office or the British Steel Corporation, similar arguments do not apply to BNOC. It accounts for only about 10 per cent of the North Sea. In most of its operations it is in partnership with private sector companies, better placed to insist that it should be efficient in its operations than ministers and civil servants are, or shareholders would be.

As the 1973-74 oil crisis demon-

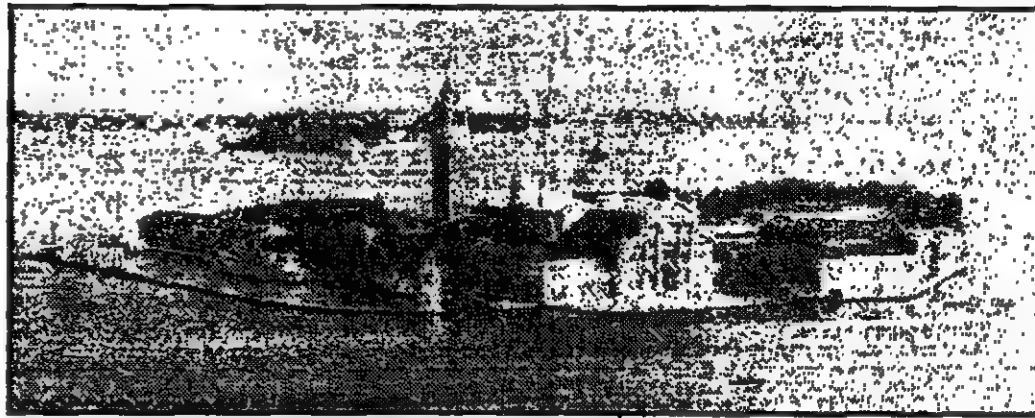
strated, the national interest and the interest even of a British-based oil company by no means always coincide. The fact that the BNOC trading operation is in public ownership provides the Government with the only tool of oil policy available to it, short of a situation in which it was prepared to take emergency powers and impose directions.

The realization that the trading arm was important led to the proposal that the BNOC might be divided, with the other aspects of its activities being the vehicles for the injection of private equity capital. But, even here, there must be a strong argument for having an organization like the BNOC which is totally committed to finding oil in British territorial waters.

For the moment the whole of the world's oil industry is giving the North Sea top priority, because of its quality and the friendly fiscal and political regime behind it. But this may not always be the case.

Above all, however, as the world oil scene becomes more complicated and less stable, it must make sense to have an additional horse to BP and Shell in the race. There are not so many big businesses in this country that are working well that we can afford the luxury of messing about fundamentally with one that is for prey doctrinal reasons.

## This time the West—next time the world?



Leaders of seven major industrial nations meet on San Giorgio island, Venice (above) next Sunday for the latest round of talks on the world economy. David Blake reports

back in scope as developments at other meetings made it clear that the world is not yet ready for monetary reform.

Even if President d'Estaing were to launch a monetary plan in Venice, what possible response could the other western leaders make to it? All that they could do is to hand back the issue to those who really know what it is about.

That is an example of the sort of issue which all summit meetings are the wrong bodies to deal with.

Next week's Venice meeting has another limitation as a decision-taking body which could, however, turn into a strength for the future. It is that the world is no longer run by the industrial western nations which are the only ones, represented there.

When the notion of economic summitry was first mooted in 1975 they were seen as a forum in which the leaders of the countries who mattered could get together and work out a common policy.

What is clear is that the West cannot run its economy on its own. The recession of 1974 and 1975 was sparked off by the increase in oil prices decreed by the nations of the Organization of Petroleum Exporting Countries (Opec); the present recession and inflation will be made far more severe

because of the latest increase in oil prices.

The western financial system is coming under increasing strain because of the problems of recycling the huge surpluses which the Opec countries build up; and looming over any recovery is the threat of some new blow in the form of a cut-back in supplies of the sort caused by the events in Iran.

For much of the past five years the West has just hoped that Opec will go away, as Milton Friedman promised it would if oil prices were to rise as high as \$10 a barrel. At other times there have been

attempts to mollify the Opec countries. These have taken the form of half-hearted schemes to guarantee the value of the assets which the large surplus earners have built up, coupled with promises that the West would cut back on its energy use.

None of these promises has meant anything. The International Monetary Fund's substitution account, which was designed to give the Opec countries (and others too) an orderly way out of the dollar has fallen by the wayside. Recession has been a far more potent weapon for reducing energy consump-

tion than any policy measures. Indeed, the United Kingdom is cutting back on its energy conservation programme as part of its reductions in public spending.

The Opec surplus this year will be very large; and there is no realistic prospect of it coming down dramatically in the foreseeable future except as a result of western recession.

We are now trapped in a new economic environment in which only slow growth and unemployment look likely to bring about real downward pressure on energy prices; and in which the Opec countries will be able to push the oil price up at the first sign of a western recovery.

In the long run it makes little sense to lecture Opec nations on the need for price restraint. Why should they subsidize us?

The only way to come to terms with the huge problems facing the world economic order is to bring the main Opec nations into the decision making process, along with the developing nations and possibly even the eastern block.

The developing world has a need for long-term capital to finance its development over the years ahead and to cover its immediate payments problems. The Opec countries need to diversify their assets out of American banks and property. And the West needs to find new markets for its technology. These are the problems which need to be solved, but they can only be solved by bringing in all the countries involved.

The Venice meeting is often billed as a world economic summit. It is in fact a caucus of western leaders. Only if those leaders show some serious interest in starting a dialogue with the rest of the world can the prospects of a long-term recovery from the immediate gloom be improved.

### 1980, M.P. No. 484 IN THE SUPREME COURT OF HONG KONG MISCELLANEOUS PROCEEDINGS

IN THE MATTER of American International Assurance Company, Limited

— and —  
IN THE MATTER of the Companies Ordinance (Chapter 32)

NOTICE IS HEREBY GIVEN that, by an Order dated 5th June, 1980 made in the above matters, the Court has directed a Meeting to be convened of the holders of the shares of US\$5 each in the capital of the above-mentioned American International Assurance Company, Limited (hereinafter called "the Company") other than those owned beneficially by American International Insurance Company, Limited for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of its shares other than those which are beneficially owned abroad and that such Meeting will be held at The AIA Building, 20th Floor, No. 1, Simsbury Road, Hong Kong on Wednesday, 9th July, 1980 at 12 noon at which place and time all such shareholders are requested to attend.

Any person entitled to attend the said Meeting can obtain copies of a composite document containing the said Scheme of Arrangement and an Explanatory Statement together with forms of proxy at the registered office of the Company, at No. 1 Simsbury Road, Hong Kong, or at the office of the under-mentioned Solicitors at the address mentioned below during usual business hours on any day (other than a Sunday or public holiday) prior to the day appointed for the said Meeting.

The said shareholders may vote in person at the said Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead.

It is requested that forms appointing proxies be lodged with the Secretary at the registered office of the Company, at No. 1 Simsbury Road, Hong Kong, not less than 48 hours before the time appointed for the said Meeting, but if forms are not so lodged they must be handed to the Chairman at the said Meeting.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

By the said Order the Court has appointed Linden Edward Johnson or, failing him, Edward William Tilling to act as Chairman of the said Meeting and has directed the Chairman to report the result thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated this 5th day of June, 1980.

STEPHENSON HARWOOD & LO  
Simsbury House, 10th Floor,  
Chater Road, Central,  
HONG KONG.

Solicitors for the Company

## Business Diary: Postcard from Japan

70

upon the Tokyo-Kyoto en, the 120 mph bullet ved to be as good a way f seeing Japan old and

posite me in the Green class coach, a gauzy n shimmering over his bes, was a Buddhist here he sat in a Buddi- gation, framed by a through which on the outside was taking tableau vivant of the, nercial Japan.

a group of 40 or so m and a few ladies in dress were apparently in a bowing marathon. plation, said, y companion, lay with young tycoon-type and ant, raven-haired heart- ly beautiful lady—who at I could see over the shoulder, were evidently: g the rest.

crowd, said my con- had turned out to see tycoon, their superior, s evidently leaving for down posting.

was no mystery about mation. of the monk e ours, it had to be which has about 1,600 and shrines. As for, the it could have been arsu, home of Yamaba ikes and musical incru- o, a little farther down Nagoya, and the fac- Toyota, Japan's biggest h. I will never know,

for nose as I am. I did not ask because it was more fun to speculate. Whatever it was, it looked like our man would do it superbly well.

"Is this how you say good-bye to your superior in Britain?" asked my companion. For a moment I did not answer, lost in reverie at the effect on commuters at Waterloo of seeing 40-odd Times journalists bowing out a superior. "Er, not quite . . .", I began.

### Kyoto

My bemusement at being in Kyoto at all was compounded by the half-bottle of Chateau Mercier set before me in the Joy Grill of the Kyoto Hotel.

Despite the resonant label (*Marque déposée Recolte de de qualite*) the wine in fact came from up the road and from the area surrounding Mount Fuji ("the Bordeaux of Japan").

I was struggling to assimilate this fact, when a waiter, restaurant, walked two Euro- pean men, who from their English suits and Gallic struts I took to be French.

They sat down, ordered dinner and to my mounting glee, a bottle of Chateau Mercier. In vain did I wait for them to be struck shrugless as they tasted the wine, and after a decent interval, I introduced myself and sought their opinion of "the Bordeaux of Japan". They were both chemical company men, who were up to in

this, a big ceramic-making and kiln-dyeing town. The more talkative of the two lived in Grenoble, but came from Avignon and so spoke glowingly of *Chateau-neuf du Pape* and *Gigondas*.

But he was not at all dismissive of the local "Bordeaux". "Ah," said he, "c'est un vin honorable: ce n'est un grand vin honorable, mais c'est un petit vin honorable."

My Chateau Mercier reminded me not of the slopes of Bordeaux but of the slopes of Cyprus, or indeed of the Gray's Inn Road. In both of which places I have come to know the Cyprus reds. Orhelo in particu- lar, so heavy in tannin and in the power to incline one to stay away from the office that after- noon.

At this point, however, my Frenchman varied from wine and to a passion for strong government and Mrs Thatcher, both of which I was grateful to be missing for a few weeks. Thus, as they say in the trade, I made an excuse and left.

### Suzuka

Two questions of mine made Tokinori Soga laugh when I called at the Honda plant here, west of Tokyo. One was "How many hours do you work?" and the other "What discount do you give staff who buy a car from the company?"

To the first, Soga, the pro- duction manager, replied:

"When things are going well, I can relax," and to the second "Just a little".

From this I deduce that he has not relaxed much for a while, particularly since Suzuki, the firm's biggest factory, has just completed retooling of its No 2 production line to up production of Civic cars by a quarter to 1,000 a day mak- ing a total of 2,200 a day by the end of the year.

On discount I take this to mean that they can sell every car they make in the open mar- ket. Honda, which started later than the two big boys, Toyota and Nissan (Datsun), had to head for the stock market, and sells about two thirds of pro- duction abroad.

With figures like this (a car made every 43 seconds) Honda does not have to go in for niceties—they met me at the station with a Toyota cab.

A third thing that made Soga smile that day: an exhibition in the foyer of trophies and Honda motor bikes. It represented a win the previous day on the Honda's Suzuka race track for the works team, who beat Yamaha employees on Yamaha bikes.

### Kyoto

I don't know whether it was a case of drinking too much Chateau Earthquake or not enough, but the fact is that in wandering around Kyoto I be- came afflicted by a constant

twittering and cuckoo-ings in the ears.

One late at night in the busiest thoroughfares I could hear these blasted birds, and for a time I was reluctant to ask about them in: case they were a figment of my own dis- orientation.

The sounds, I established, were there and could be heard by others than me. They in fact emanated from a road safety device for the blind. When a blind person approaches a street crossing from the pav- ment on either side, the machine that flashes lights for the sighted, sends out one kind of birdsong for the blind. By the time the blind person reaches the other side, a second kind of birdsong is being beamed inwards towards the crossing to signal journey's end.

On leaving Kyoto, I stopped at Nara, a town full of temples (and Sharp Electronics) about 30 miles to the south. There I thought reason and I had finally parted company, when on walking out of Kintetsu Nara railway station, I could have sworn I saw a red deer deli- cately picking its way through the traffic on a zebra crossing.

I had, My God, I thought, they have even got the deer organized here. The sagacious animal, it turned out, had escaped from the city park. I still would not believe it, had I not taken a fuzzy snapshot of the incident.

Ross Davies



## FINANCIAL NEWS

## Stock markets

## Trade figures send prices racing ahead

As expected, the new account got off to a roaring start yesterday bolstered by an encouraging set of May trade figures. Equities as a whole edged one of their best trading sessions in several weeks, as hopes of a cut in minimum lending rate during the summer months again took on a more realistic look. Prices raced ahead from the start as buyers, accompanied by strong institutional support, tried to take advantage of the buoyant conditions.

Only the jobbers still short of stock continued to show some hesitation, as some of the old hands talked about a burst in the bubble within the next day or two. But investors were in no mood for feeling sorry for jobbers caught on the hop, and only paused for breath just ahead of the trade figures, when some nervousness began to creep in.

But afterwards, prices again roared off. The F.T. Index, which had been going great guns all day, finally closed at the top with a rise of 11.1 at 457.5. This was the biggest single rise since January 16 when the index leapt 13.3 on a renewal of institutional buying and the index's highest level since February 28, when it stood at 463.1.

This latest surge in institutional enthusiasm was also enjoyed by government securities which made some amazing headway. This was best pinpointed by the exhaustion of the new medium "top" Exchange 131 per cent 1994. The government broker was reported to have sold the remaining stock, amounting to about just under £500m, shortly after dealings began at 10 am with the price jumping 12½ to £213.

As a result, the scene was set for another hectic session. Buyers rushed in, along with a

large influx of foreign investors attracted by the high rates of interest.

In long dealers reported heavy demand, only pausing for breath ahead of the trade figures, but resuming the pace in after-hours when prices gained another 1½ to £1. By the close roses of between 1½ to £1 were seen.

At the shorter end of the market the activity was a little less boisterous, with trading taking a more cautious line. But in the end gains of between 1½ to £1 were in evidence.

Despite the firm conditions, institutional leaders suffered a fairly quiet time with jobbers marking up prices, mostly through a stock shortage. However, Far Eastern buyers treated the market to another lively session in Dunlop. They bought about 3m shares as the price rose 3p to 79p, helped by weekend comment.

Elsewhere, ICI improved 8p to 385p along with Glaxo 6p to 224p, Unilever 7p to 450p, Fisons 8p to 267p, Hawker Siddeley 8p to 202p and BAT's 5p to 263p. Bowater attracted support up 10p to 181p while small gains of between 2p to

3p were seen in Beecham at 138p and Courtaulds at 70p. Further consideration of last week's figures added 22p to Pilkington Bros at 228p.

In oils, the return of institutional support turned most eyes to the majors with strong support for BP up 10p to 380p, while Shell at 410p and Ultramar at 380p put on 8p apiece.

Second liners had a mixed session in strong two-way business, with speculators still retaining interest. Candecca was

Mr Eric Morley, once of Mecca and now heading the much changed Belhaven Breweries, is thought to be watching another set of figures. Word is that he could well approach Thorn-EMI for EMI's huge interests. The enlarged electrical giant's shares were 10p better yesterday at 292p while Belhaven remained steady at 30p.

The big talking point, following its £5.7m cash call to shareholders, which followed hard on the heels of last week's similar request from its partner Carless Capel. Despite the recent

influx of rights issues, speculators were undeterred and pushed the price 20p higher at 180p with Carless adding 2p to 135p.

Further talk of a promising find on the thistle field helped Burmah to a 5p rise at 228p, with Tricentrol adding another 6p to 380p. Profit-taking lopped 15p from Berkeley Exploration at 215p, following heavy new-time business last week and ahead of the drilling report.

Weekend comment provided a boost for stocks including Newhill, up 3p to 253p. Associated News up 3p at 311p, Powell Duffryn up 8p at 186p and Silcock up 17p at 200p. Speculative buying also helped Poly Peak 14p to 85p, Roper 12p to 81p, Barrow Milling 6p to 45p and Portals 24p to 340p. But nervous selling wiped 11p from Wharf Mill at 33p, with Unicom Industries losing 1p at 116p after profit taking, and Sidlaw shedding 9p to 97p on recent figures.

Among companies reporting, MK Electric hardened 12p to 187p following full-year results and a boardroom reshuffle. Favourable reports

also helped Chamberlain Phipps, 4½p to 37½p, Ferguson 10p, 6p to 94p and WGI 20p to 110p. But the opposite was the story for Leeson off 2p to 15p.

National Carbide 2p to 140p and Norwest 5p to 115p. In electrical and engineering, Vespene surged 22p to 160p, benefiting from the latest round of compensation rumours, while active buying lifted Thorn-EMI 12p to 254p. GEC was another strong market climber 12p to 385p, along with Rascal 10p to 264p. But adverse comment on profits hit Rank Org 2p to 196p.

Banks returned to favour ahead of the dividend season, with Barclays closing at 395p, Nat West at 378p, both gained 1½p. Lloyds improved 8p to 331p, and Hambro's jumped 31p following doubled profits and dividend.

Equity turnover on June 13 was £132.279m (17.236 bargains). Active stocks yesterday, according to the Exchange Telegraph, were: GEC, BP, Burmah, Shell, RTZ, ICI, Barclays Bank, National Westminster, Boots, Dunlop, Glaxo, C&G, Marks & Spencer, Unilever, and Allied Breweries.

Traded options: The renewed fervour in the equity market boiled over into traded options yesterday, with over 1,000 contracts being achieved before 11 am. The final figure was extended to 1,784. Grand Met was a strong market after last week's better-than-expected profit increase with the October 1960 series deriving particular benefit. ICI was also buoyant with 23p contracts along with Land Secs. In traditional options dealers reported quiet conditions, with a "put" arranged in Land Secs while "doubles" completed in C. Moran and Poly Peak.

## 'Insider laws will not inhibit directors'

Mr Reginald Eyre yesterday dismissed the notion that the Government's new laws to combat insider dealing would inhibit directors from holding shares in their own companies.

Speaking at the Institute of Directors' company law conference in London, the Under Secretary of State for Trade said:

"Any fears expressed by honest businessmen about the insider dealing sections of the Companies Act 1980 are misplaced. I believe that the provisions as they have been enacted contain very considerable safeguards and limitations which will protect honest directors and employees and which will not inhibit them from holding shares in companies with which they are connected."

However, Mr Eyre said that he believed the new provisions, which came into force on June 23, "will operate against those who attempt to make thoroughly improper profit out of inside information."

Commenting on other parts of the 1980 Act which would affect directors, Mr Eyre said that Part IV, covering conflicts of interest, was detailed and complex because of "the difficulties in trying to block various loopholes while leaving sufficient flexibility. He felt that there would be little to disclose for most. But six months, marks the second stage of the Bank of England's plan to improve the transparency of international lending by United Kingdom-registered banks.

Leasing association is optimistic

Britain's £5,000m leasing industry is optimistic about its prospects. It expects demand for leasing to continue at a high level from companies affected by recession, wishing to take advantage of investment incentives they might otherwise have had to forego. Mr Tom Clark, chairman of the Equipment Leasing Association, says in today's annual report that "the prosperity of the industry in the longer term will be closely related to the level of expenditure on plant and equipment".

Lloyds and Scottish acceptance:

S. G. Warburg's offer of 2.3m new ordinary shares in Lloyds and Scottish at 126p per share, on behalf of Lloyds Bank and the Royal Bank of Scotland, has been accepted by other shareholders, in respect of 1.92m new shares, or 81.4 per cent of the new shares offered.

On this basis, the two banks will renounce in equal proportions 1.92m new shares in favour of accepting shareholders who will retain the balance. Each bank will then hold 39.26 per cent of the share capital of Lloyds and Scottish.

Norwest Holst brings in £2m loss

A pretax profit of £5.1m was turned into a loss of £2.7m at Norwest Holst in the year to March 31. This is in line with the board's estimate made in March, when the bid, which later proved successful, from Dunham Mount Holdings was launched.

The net loss came in a turnover of £117.9m. There is no dividend against 5.4p. The board explains the loss was arrived at after taking into account losses totalling £5.3m from the group's Marshall, Andrew, (Holdings subsidiary).

Chamberlain Phipps up 7pc to £4.1m

By Peter Wilson-Smith  
A four-fifths increase in interest payable to £877,000 trimmed Chamberlain Phipps's 15 per cent rise in trading profits to an increase of 7 per cent at the pretax level to give profits of £4.15m. Turnover rose from £59.4m to £67.3m and the total dividend was raised by 9 per cent to 4.43p gross.

Mr William Chamberlain, the chairman, says that in the current year the group's diversity of interests and flexibility will allow it "to perform effectively in spite of the current economic difficulties".

The shares rose 4½p yesterday to 37½p when they yielded 11.8 per cent and sell on 2.8 make-soles.

Listing for Union Carbide

Dealing starts in London today in the shares of American giant Union Carbide. The company is usually associated with chemicals and plastics, but it also has important interests world-wide in gases, metals and carbon, electrodes and batteries, and is even in herbicides and antifreeze.

It is busy shedding some of its interests to develop its more promising technologies. And it

## MK Electric chief resigns on eve of results

Mr Gordon Hazard, group managing director of MK Electric Holdings, has resigned his post and left the board the night before the publication of the group's final results.

Mr Hazard's resignation, which took the City by surprise, was said to be for personal reasons but yesterday he explained that it had resulted from a divergence of views on the timing of the group's internationalization and diversification plans.

"I wanted to move faster in European markets than some of the other board members considered prudent," he said. He stressed that the disagreements had arisen gradually over several issues and that the timing of his departure was a matter of administrative convenience rather than linked with the figures.

Mr Hazard, who is 55, added that he had reached an amicable financial agreement with the group, although it was not a "golden handshake".

Mr Hazard's board structure, which left Mr Hazard as sole executive director of the holding company, has been criticized in the past and board members were yesterday.

They are Mr Mich, managing director, Mr Roger, managing director of Mr Eric Race, group controller.

Mr David Robin, chairman, said he has the previous structure to run the group retrospect he thought have made a mistake.

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## Briefly

Merger cleared: Charterhouse Group proposed merger, with Kysner, Ulmann Holdings, not being referred to Monopolies Commission.

Northcar Investments: Turnover of this Zimbabwe group was £769,000 (£719,000). Profit before tax, £217,000 (£106,000). Earnings a share, 5.7p (3.65c).

Allied Plant Group: Mr Michael Heathcote, chairman, told shareholders—trading in all group divisions was at a high level in first five months of year. He is confident that rising trend in earnings and assets per share can be maintained.

Woodworth: First of a new chain of furniture "superstores" is being opened this Thursday, in Southampton. Called Woodworth World, new store is the first of two which are expected to be opened in first year of operation.

Shetland Refreshment Houses has agreed the sale of Omega Restaurant and a Keenwood Restaurant for £170,000 cash. Money will help to reduce bank borrowings. Material benefits will accrue from 1981-82 onwards.

Keyser Ulmann: Greiverson Grant and Co, a subsidiary of Charterhouse Group, on behalf of a discretionary trust, has agreed to sell 2,500 Keyser Ulmann Holdings shares on June 13. On June 12, on behalf of Charterhouse Japan—account client—bought 50 Charterhouse Group shares at 84p.

Edinburgh General Insurance Services: London Trust now hold 520,000 shares (9.2 per cent). Willey Lamp: Turnover for six months to December 31, £1.04m (£925,000). Profit, £150,000 (£100,000). Loss per share, 1.58p (earnings 0.37p). Again no interim dividend. The company has been changed to September 30. Next accounts will be for 15 months to September 30.

Heavies Brewery: Interim half at 56p. Turnover at 56p. Profit £1.415m (£1.282m). Pre-tax profit £225,000 (£208,000).

Baring Brothers has formed a wholly-owned subsidiary, Baring International, to provide investment management services, principally for clients based in United States.

Chubb and Sons: Kuwait Investment Office has acquired an interest in 400,000 ordinary shares totalling £7.7m or just under 9 per cent.

Canadian Imperial Bank of Commerce: Arrangements have been completed for issue by Canadian Imperial Bank of Commerce of Can\$50m five-year debentures with an annual interest coupon of 11 per cent at a price of par.

## UK TRADE

The following are the June trade figures seasonally adjusted and corrected on a balance of payments basis, for known recording errors.

	£m	Exports f.o.b.	Imports f.o.b.
79 Q3	-493	10641	11134
Q4	-745	11017	11762
80 Q1	-723	11832	12555
79 Dec	-252	3773	4025
80 Jan	-315	3876	4191
Feb	-232	4122	4354
March	-176	3834	4010
April	-284	3885	4149
May	-18	3873	3991

The following are the unit volume index numbers for visible trade, seasonally adjusted, and the terms of trade index, non-seasonally adjusted, issued yesterday by the Department of Trade.

	(1975=100)	Term of trade
1978	121.5	112.5
1979	125.9	125.5
1978 Q1	120.1	113.6
Q2	121.0	109.1
Q3	122.5	115.0
Q4	122.5	112.9
1979 Q1	120.0	116.9
Q2	123.5	128.9
Q3	129.8	129.1
Q4	129.3	128.9
1980 Q1	131.3	128.5
1979 Dec	131.3	131.2
1980 Jan	129.8	128.0
Feb	136.5	126.9
March	127.7	127.7
April	127.2	126.6
May	130.2	121.4

## Union opposes plan for company names

A Government move to have off the Register of Business Names from the services offered by the Registrar of Companies met with opposition yesterday.

A meeting of interested parties to discuss handing the Register over to private interests has been called for June 19, according to a statement from the Society of Civil and Public Servants, which opposes the move.

The union, which represents 105,000 civil servants, believes that having off will mean a considerable reduction in consumer protection and could lead to the creation of a "protection racket".

Other users of Companies House have said the reduction in services will "provide a bogus charter for fly-by-night businesses".

Since 1948 the Registrar of Companies has individually

vetted every proposed company name to ensure that it is not misleading, nor too similar to an existing name.

The Secretary of State for Trade issued a consultative document on April 8 in which he sought comments about the proposed abolition of the Register of Business Names. Mr Mike King, assistant secretary of the SCPS, said: "The Department is clearly pre-judging the results of consultations which are not due to be completed until the end of June."

The establishment of a private sector RBN would leave private company organisations in the hands of those who have vested interests, and could be construed as the setting up of a protection racket whereby the private sector will be in control of consumer protection," he said. "This is a direct abrogation of Government responsibility," he added.

The refractory division's profits improved slightly from £562,000 to £572,000 on turnover which was up by £600,000 at £5.3m. This result was achieved in spite of British Steel's closure during the first three months of 1980. More than 30 per cent of the division's turnover goes to British Steel, but the group managed to find export orders during the strike.

Civil engineering and mechanical engineering operations chipped in virtually static profits at £1.12m and £257,000 respectively while turnover increased in both areas, reflecting the group's overall slide in margins during the year.

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## Profits up slightly at WGI

By Our Financial Staff  
WGI, the Wiltshire-based engineering and construction group, managed to buck the trend in the sector by producing slightly increased profits for the full year.

On turnover which rose by 34 per cent to £4.49m, pre-tax profits improved by 7 per cent to £2.2m, for the year to March 30.

The process engineering division, where turnover increased from £1.23m to £1.6m, almost trebled profits to £622,000, but Mr David Brooks, the chairman, pointed out that the previous year's figures had been abnormally depressed and had now returned to a more normal level of profitability.

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## Strong institutional buying

**ACCOUNT DAYS:** Dealings Began, June 16. Dealings End, June 27. \$ Contango Day, June 30. Settlement Day, July

§ Forward bargains are permitted on two previous days

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1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

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